CITY OF FORT MEADE
GENERAL EMPLOYEES' RETIREMENT PLAN

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2024

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2025

May 9, 2025

Board of Trustees
City of Fort Meade
General Employees' Pension Board

Re: City of Fort Meade General Employees' Retirement Plan

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Fort Meade General Employees' Retirement Plan. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. Use of the results for other purposes may not be applicable and may produce significantly different results.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Chapter 112, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in the valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience.

The funding percentages and unfunded accrued liability as measured based on the actuarial value of assets will differ from similar measures based on the market value of assets. These measures, as provided, are appropriate for determining the adequacy of future contributions, but may not be appropriate for the purpose of settling a portion or all of its liabilities. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by the City of Fort Meade, financial reports prepared by the custodian bank, and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

Additionally, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models that apply the funding rules to generate the results. All internally developed models are reviewed as part of the valuation process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

In our opinion, the Minimum Required Contribution set forth in this report constitutes a reasonable actuarially determined contribution under Actuarial Standard of Practice No. 4.

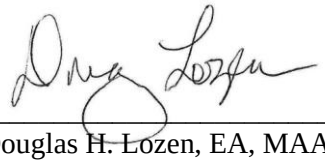
The undersigned are familiar with the immediate and long-term aspects of pension valuations, and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Fort Meade, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the General Employees' Retirement Plan. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.

By: 

Douglas H. Lozen, EA, MAAA
Enrolled Actuary #23-7778

By: 

Kevin H. Peng, ASA, EA, MAAA
Enrolled Actuary #23-7783

DHL/lke

Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Fort Meade General Employees' Retirement Plan, performed as of October 1, 2024, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ending September 30, 2025.

The contribution requirements, compared with those set forth in the October 1, 2023 actuarial valuation report, are as follows:

Valuation Date	10/1/2024	10/1/2023
Applicable to Fiscal Year Ending	9/30/2025	9/30/2024
Minimum Required Contribution	$318,486	$341,876

[1] Please note that the City has access to a prepaid contribution of $88,903.48 that is available to offset a portion of the above stated requirements for the fiscal year ending September 30, 2025.

As you can see, the Minimum Required Contribution shows a decrease when compared to the results set forth in the October 1, 2023 actuarial valuation report. The decrease is attributable to favorable plan experience.

Plan experience was favorable overall on the basis of the plan's actuarial assumptions. Sources of actuarial gain included inactive mortality experience, favorable turnover experience, and an investment return of 6.71% (Actuarial Asset Basis) which exceeded the 6.50% assumption. There were no significant sources of actuarial loss.

CHANGES SINCE PRIOR VALUATION

Plan Changes

There have been no changes in benefits since the prior valuation.

Actuarial Assumption/Method Changes

There have been no assumption or method changes since the prior valuation.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	10/1/2024	10/1/2023
A. Participant Data		
Actives	42	44
Service Retirees	28	27
Beneficiaries	2	1
Disability Retirees	3	3
Terminated Vested	12	15
Total	87	90
Projected Annual Payroll	2,515,180	2,337,074
Annual Rate of Payments to:		
Service Retirees	318,617	325,488
Beneficiaries	9,922	5,275
Disability Retirees	32,431	33,307
Terminated Vested	85,785	109,831
B. Assets		
Actuarial Value (AVA)	6,001,372	5,661,435
Market Value (MVA)	6,261,366	5,258,060
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	3,578,318	3,213,864
Disability Benefits	286,032	257,924
Death Benefits	97,816	88,275
Vested Benefits	294,278	263,697
Service Retirees	3,071,574	3,201,518
Beneficiaries	93,510	57,254
Disability Retirees	354,077	340,139
Terminated Vested	668,905	893,133
Total	8,444,510	8,315,804

C. Liabilities - (Continued)	10/1/2024	10/1/2023
Present Value of Future Salaries	21,943,796	19,923,971
Normal Cost (Retirement)	148,914	138,279
Normal Cost (Disability)	13,691	12,153
Normal Cost (Death)	5,370	4,812
Normal Cost (Vesting)	21,940	19,959
Total Normal Cost	189,915	175,203
Present Value of Future Normal Costs	1,621,594	1,463,091
Accrued Liability (Retirement)	2,326,021	2,080,141
Accrued Liability (Disability)	152,767	138,418
Accrued Liability (Death)	51,234	46,896
Accrued Liability (Vesting)	104,828	95,214
Accrued Liability (Refunds)	0	0
Accrued Liability (Inactives)	4,188,066	4,492,044
Total Actuarial Accrued Liability (EAN AL)	6,822,916	6,852,713
Unfunded Actuarial Accrued Liability (UAAL)	821,544	1,191,278
Funded Ratio (AVA / EAN AL)	88.0%	82.6%

D. Actuarial Present Value of Accrued Benefits	10/1/2024	10/1/2023
Vested Accrued Benefits		
Inactives	4,188,066	4,492,044
Actives	1,297,155	1,099,748
Total	5,485,221	5,591,792
Non-vested Accrued Benefits	367,147	312,465
Total Present Value Accrued Benefits (PVAB)	5,852,368	5,904,257
Funded Ratio (MVA / PVAB)	107.0%	89.1%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
Plan Experience	(61,185)	
Benefits Paid	(362,693)	
Interest	371,989	
Other	0	
Total	(51,889)	

Valuation Date	10/1/2024	10/1/2023
Applicable to Fiscal Year Ending	9/30/2025	9/30/2024
E. Pension Cost		
Normal Cost [1]	$196,087	$180,897
Administrative Expenses [1]	32,642	38,150
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 15 years (as of 10/1/2024) [1]	89,757	122,829
Minimum Required Contribution	318,486	341,876
Expected City Contribution	318,486	341,876
F. Past Contributions		
Plan Years Ending:	9/30/2024	
City Requirement	341,876	
Actual Contributions Made:		
City	341,876	
G. Net Actuarial (Gain)/Loss	(313,956)	

[1] Contributions developed as of 10/1/2024 displayed above an interest adjustment to account for the timing of sponsor contributions.

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

Year	Projected Unfunded Actuarial Accrued Liability
2024	821,544
2025	782,362
2026	740,633
2029	598,454
2033	361,863
2036	140,919
2039	0

I. (i) 5 Year Comparison of Actual and Assumed Salary Increases

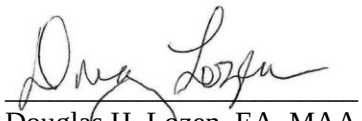
		Actual	Assumed
Year Ended	9/30/2024	7.90%	5.14%
Year Ended	9/30/2023	9.28%	3.00%
Year Ended	9/30/2022	16.56%	3.00%
Year Ended	9/30/2021	9.19%	3.00%
Year Ended	9/30/2020	6.06%	3.00%

(ii) 5 Year Comparison of Investment Return on Market Value and Actuarial Value

		Market Value	Actuarial Value	Assumed
Year Ended	9/30/2024	19.64%	6.71%	6.50%
Year Ended	9/30/2023	8.42%	3.89%	6.75%
Year Ended	9/30/2022	-13.29%	4.84%	6.75%
Year Ended	9/30/2021	19.31%	9.91%	7.00%
Year Ended	9/30/2020	6.33%	7.70%	7.00%

STATEMENT BY ENROLLED ACTUARY

This actuarial valuation was 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, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.



Douglas H. Lozen, EA, MAAA
Enrolled Actuary #23-7778

Please let us know when the report is approved by the Board and unless otherwise directed we will provide a copy of the report to the following office to comply with Chapter 112 Florida Statutes:

Mr. Keith Brinkman
Bureau of Local
Retirement Systems
Post Office Box 9000
Tallahassee, FL 32315-9000

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

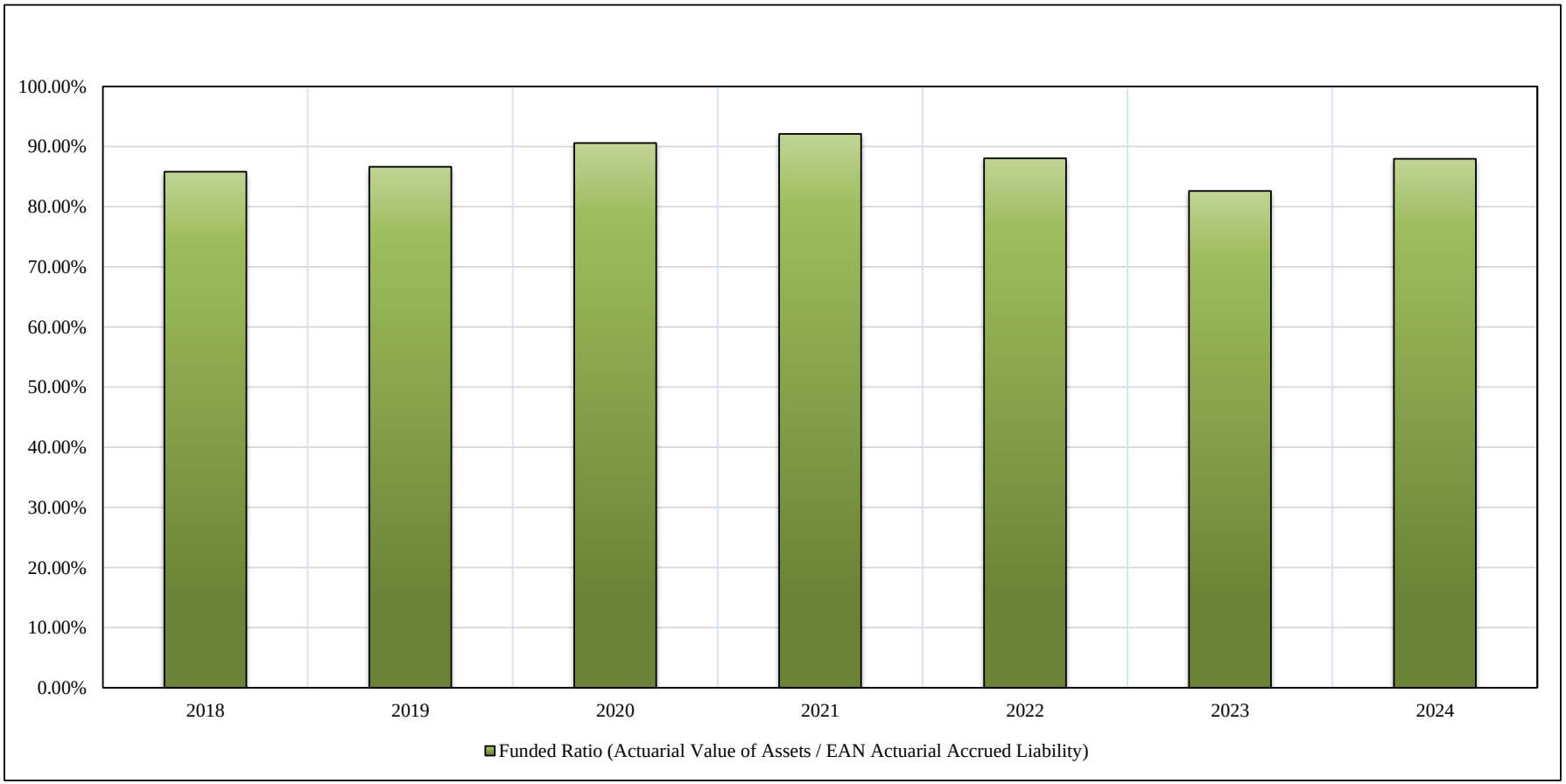
(1)	Unfunded Actuarial Accrued Liability as of October 1, 2023	$1,191,278
(2)	Sponsor Normal Cost developed as of October 1, 2023	175,203
(3)	Expected administrative expenses for the year ended September 30, 2024	36,949
(4)	Expected interest on (1), (2) and (3)	90,022
(5)	Sponsor contributions to the System during the year ended September 30, 2024	341,876
(6)	Expected interest on (5)	16,076
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2024 (1)+(2)+(3)+(4)-(5)-(6)	1,135,500
(8)	Change to UAAL due to Assumption Change	0
(9)	Change to UAAL due to Actuarial (Gain)/Loss	(313,956)
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2024	821,544

Type of Base	Date Established	Years Remaining	10/1/2024 Amount	Amortization Amount
EAN Cost Method	10/1/2023	14	1,135,500	118,284
Actuarial Gain	10/1/2024	15	(313,956)	(31,352)
			821,544	86,932

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1)	Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2023	$1,191,278
(2)	Expected UAAL as of October 1, 2024	1,135,500
(3)	Summary of Actuarial (Gain)/Loss, by component:	
	Investment Return (Actuarial Asset Basis)	(12,282)
	Salary Increases	(8,315)
	Active Decrements	(64,462)
	Inactive Mortality	(202,611)
	Other	(26,286)
	Increase in UAAL due to (Gain)/Loss	(313,956)
	Assumption Changes	0
(4)	Actual UAAL as of October 1, 2024	$821,544

HISTORY OF FUNDING PROGRESS



ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate	*Healthy Active Lives:* **Female:** PubG.H-2010 (Below Median) for Employees. **Male:** PubG.H-2010 (Below Median) for Employees, set back one year. *Healthy Retiree Lives:* **Female:** PubG.H-2010 (Below Median) for Healthy Retirees. **Male:** PubG.H-2010 (Below Median) for Healthy Retirees, set back one year. *Beneficiary Lives:* **Female:** PubG.H-2010 (Below Median) for Healthy Retirees. **Male:** PubG.H-2010 (Below Median) for Healthy Retirees, set back one year. *Disabled Lives:* PubG.H-2010 for Disabled Retirees, set forward three years. All rates for healthy lives are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements. The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2023 FRS valuation report for non-special-risk employees, with appropriate adjustments made based on plan demographics.
Interest Rate	6.50% per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.
Salary Increases	See table later in this section. Service based annual amount to assumed retirement age; This assumption was adopted based on the March 8, 2023 actuarial experience study.

Payroll Growth

None.

Administrative Expenses

$31,615 annually, based on the average of actual expenses incurred in the prior two fiscal years.

Amortization Method

New UAAL amortization bases are amortized over 15 years.

The amortization payment is subject to a minimum based on a 30-year amortization of the UAAL, if the UAAL is positive, in order to comply with Actuarial Standard of Practice No. 4.

Bases established prior to the valuation date are adjusted proportionally to match the Expected Unfunded Actuarial Accrued Liability as of the valuation date, in order to align prior year bases with the portion of the current year UAAL associated with prior year sources.

Actuarial Asset Method

The Actuarial Value of Assets reflects a five-year smoothing methodology. The annual difference between expected and actual investment earnings (Market Value, net of investment-related expenses), is phased-in over a five-year period.

Funding Method

Entry Age Normal Actuarial Cost Method. The following loads are applied for determining the minimum required contribution:

Interest - A half year, based on current 6.50% assumption.

Salary - None.

Retirement Age

Years After Normal Eligibility	Probability of Retirement
0	50%
1	50%
2+	100%

This assumption was adopted based on the March 8, 2023 actuarial experience study.

Termination Rates

See table later in this section. Unisex and service-based table. This assumption was adopted based on the March 8, 2023 actuarial experience study.

Marriage

100% of active participants are assumed to be married, with spouses assumed to be the same age.

Disability Rates

Age and gender-based, see sample rates below.

% Becoming Disabled During the Year		
Age	Male	Female
20	0.03%	0.03%
25	0.04%	0.05%
30	0.05%	0.08%
35	0.07%	0.14%
40	0.12%	0.21%
45	0.20%	0.32%
50	0.36%	0.53%
55	0.72%	0.95%
60	1.26%	1.16%
65	1.75%	1.36%

This assumption was carried over from the prior actuary and adopted based on the March 8, 2023 actuarial experience study.

No disablements are assumed to be service-related.

Low-Default-Risk Obligation Measure

Based on the Entry Age Normal Actuarial Cost Method and an interest rate of 4.06% per year compounded annually, net of investment related expenses. This rate is consistent with the Yield to Maturity of the S&P Municipal Bond 20-Year High Grade Rate Index as of September 30, 2024. All other assumptions for the Low-Default-Risk Obligation Measure are consistent with the assumptions shown in this section unless otherwise noted.

Assumptions Tables

% Terminating During the Year	
Service	Rate
0	17.00%
1	15.00%
2-5	12.50%
6-7	6.00%
8-9	3.50%
10-24	2.00%
25+	0.00%

Salary Scale	
Service	Rate
0	7.00%
1-5	6.00%
6-10	5.00%
11-15	4.00%
16+	3.00%

GLOSSARY

Actuarial Value of Assets is the asset value used in the valuation to determine contribution requirements. It represents the plan's Market Value of Assets (see below), with adjustments according to the plan's Actuarial Asset Method. These adjustments produce a "smoothed" value that is likely to be less volatile from year to year than the Market Value of Assets.

Entry Age Normal Cost Method - Under this method, the normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation.

(a) The normal cost accrual rate equals:

(i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by

(ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.

(b) In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.

(c) The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.

(d) Under this method, the entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

Market Value of Assets is the fair market value of plan assets as of the valuation date. This amount may be adjusted to produce an Actuarial Value of Assets for plan funding purposes.

Normal (Current Year's) Cost is the current year's cost for benefits yet to be funded. Under the Entry Age Normal cost method, it is determined for each participant as the present value of future benefits, determined as of the Member's entry age, amortized as a level percentage of compensation over the anticipated number of years of participation, determined as of the entry age.

Payroll Under Assumed Ret. Age is the projected annual rate of pay for the fiscal year beginning on the valuation date of all covered Members, excluding any Members who are assumed to retire with 100% probability on the valuation date.

Projected Annual Payroll is the projected annual rate of pay for the fiscal year following the fiscal year beginning on the valuation date of all covered Members.

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current plan participants.

Total Annual Payroll is the projected annual rate of pay for the fiscal year beginning on the valuation date of all covered Members.

Total Required Contribution is equal to the Normal Cost plus an amount sufficient to amortize the Unfunded Accrued Liability over no more than 30 years. The required amount is adjusted for interest according to the timing of contributions during the year.

Unfunded Actuarial Accrued Liability (UAAL) is the difference between the actuarial accrued liability (described above) and the Actuarial Value of Assets. Under the Entry Age Normal Actuarial Cost Method, an actuarial gain or loss, based on actual versus expected UAAL, is determined in conjunction with each valuation of the plan.

DISCUSSION OF RISK

ASOP No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions, states that the actuary should identify risks that, in the actuary's professional judgment, may reasonably be anticipated to significantly affect the plan's future financial condition.

Throughout this report, actuarial results are determined using various actuarial assumptions. These results are based on the premise that all future plan experience will align with the plan's actuarial assumptions; however, there is no guarantee that actual plan experience will align with the plan's assumptions. It is possible that actual plan experience will differ from anticipated experience in an unfavorable manner that will negatively impact the plan's funded position.

Below are examples of ways in which plan experience can deviate from assumptions and the potential impact of that deviation. Typically, this results in an actuarial gain or loss representing the current-year financial impact on the plan's unfunded liability of the experience differing from assumptions; this gain or loss is amortized over a period of time determined by the plan's amortization method. When assumptions are selected that adequately reflect plan experience, gains and losses typically offset one another in the long term, resulting in a relatively low impact on the plan's contribution requirements associated with plan experience. When assumptions are too optimistic, losses can accumulate over time and the plan's amortization payment could potentially grow to an unmanageable level.

- Investment Return: When the rate of return on the Actuarial Value of Assets falls short of the assumption, this produces a loss representing assumed investment earnings that were not realized. Further, it is unlikely that the plan will experience a scenario that matches the assumed return in each year as capital markets can be volatile from year to year. Therefore, contribution amounts can vary in the future.

- Salary Increases: When a plan participant experiences a salary increase that was greater than assumed, this produces a loss representing the cost of an increase in anticipated plan benefits for the participant as compared to the previous year. The total gain or loss associated with salary increases for the plan is the sum of salary gains and losses for all active participants.

- Demographic Assumptions: Actuarial results take into account various potential events that could happen to a plan participant, such as retirement, termination, disability, and death. Each of these potential events is assigned a liability based on the likelihood of the event and the financial consequence of the event for the plan. Accordingly, actuarial liabilities reflect a blend of financial consequences associated with various possible outcomes (such as retirement at one of various possible ages). Once the outcome is known (e.g. the participant retires) the liability is adjusted to reflect the known outcome. This adjustment produces a gain or loss depending on whether the outcome was more or less favorable than other outcomes that could have occurred.

Impact of Plan Maturity on Risk

For newer pension plans, most of the participants and associated liabilities are related to active members who have not yet reached retirement age. As pension plans continue in operation and active members reach retirement ages, liabilities begin to shift from being primarily related to active members to being shared amongst active and retired members. Plan maturity is a measure of the extent to which this shift has occurred. It is important to understand that plan maturity can have an impact on risk tolerance and the overall risk characteristics of the plan. For example, closed plans with a large amount of retired liability do not have as long of a time horizon to recover from losses (such as losses on investments due to lower than expected investment returns) as plans where the majority of the liability is attributable to active members. For this reason, less tolerance for investment risk may be warranted for highly mature closed plans with a substantial inactive liability. Similarly, mature closed plans paying substantial retirement benefits resulting in a small positive or net negative cash flow can be more sensitive to near term investment volatility, particularly if the size of the fund is shrinking, which can result in less assets being available for investment in the market.

To assist with determining the maturity of the plan, we have provided some relevant metrics in the table following titled “Plan Maturity Measures and Other Risk Metrics”. Highlights of this information are discussed below:

- The Support Ratio, determined as the ratio of active to inactive members, has decreased from 95.7% on October 1, 2021 to 93.3% on October 1, 2024, indicating that the plan has been maturing during the period.

- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 61.4%. With a plan of this maturity, losses due to lower than expected investment returns or demographic factors may result in larger increases in contribution requirements than would be needed for a less mature plan. Please note Chapter 112, Florida Statutes, requires that the plan sponsor contributes the minimum required contribution; thus, there is minimal solvency risk to the plan.

- The Funded Ratio, determined as the ratio of the Actuarial Value of Assets to the Total Accrued Liability, has decreased from 92.1% on October 1, 2021 to 88.0% on October 1, 2024.

- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments and administrative expenses) to the Market Value of Assets, increased from -3.3% on October 1, 2021 to -0.7% on October 1, 2024. The current Net Cash Flow Ratio of -0.7% indicates that contributions are not currently covering the plan's benefit payments and administrative expenses.

Low Default-Risk Obligation Measure

ASOP No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, was revised as of December 2021 to include a "low-default-risk obligation measure" (LDROM). This liability measure is consistent with the determination of the actuarial accrued liability shown on page 9 in terms of member data, plan provisions, and assumptions/methods, under the Entry Age Normal Cost Method, except that the interest rate is tied to low-default-risk fixed income securities. The S&P Municipal Bond 20 Year High Grade Rate Index (daily rate closest to, but not later than, the measurement date) was selected to represent a current market rate of low risk but longer-term investments that could be included in a low-risk asset portfolio. The interest rate used in this valuation was 4.06%, resulting in an LDROM of $8,962,723. The LDROM should not be considered the "correct" liability measurement; it simply shows a possible outcome if the Board elected to hold a very low risk asset portfolio. The Board actually invests the pension plan's contributions in a diversified portfolio of stocks and bonds and other investments with the objective of maximizing investment returns at a reasonable level of risk. Consequently, the difference between the plan's Actuarial Accrued Liability disclosed earlier in this section and the LDROM can be thought of as representing the expected taxpayer savings from investing in the plan's diversified portfolio compared to investing only in high quality bonds.

The actuarial valuation reports the funded status and develops contributions based on the expected return of the plan's investment portfolio. If instead, the plan switched to investing exclusively in high quality bonds, the LDROM illustrates that reported funded status would be lower (which also implies that the Actuarially Determined Contributions would be higher), perhaps significantly. Unnecessarily high contribution requirements in the near term may not be affordable and could imperil plan sustainability and benefit security.

It is important to note that the actuary has identified the risks above as the most significant risks based on the characteristics of the plan and the nature of the project, however, it is not an exhaustive list of potential risks that could be considered. Additional advanced modeling, as well as the identification of additional risks, can be provided at the request of the audience addressed on page 2 of this report.

PLAN MATURITY MEASURES AND OTHER RISK METRICS

	10/1/2024	10/1/2023	10/1/2022	10/1/2021
Support Ratio				
Total Actives	42	44	49	44
Total Inactives	45	46	46	46
Actives / Inactives	93.3%	95.7%	106.5%	95.7%
Asset Volatility Ratio				
Market Value of Assets (MVA)	6,261,366	5,258,060	4,935,208	5,927,788
Total Annual Payroll	2,515,180	2,337,074	2,282,917	1,839,555
MVA / Total Annual Payroll	248.9%	225.0%	216.2%	322.2%
Accrued Liability (AL) Ratio				
Inactive Accrued Liability	4,188,066	4,492,044	4,460,681	4,484,286
Total Accrued Liability (EAN)	6,822,916	6,852,713	6,293,863	5,942,275
Inactive AL / Total AL	61.4%	65.6%	70.9%	75.5%
Funded Ratio				
Actuarial Value of Assets (AVA)	6,001,372	5,661,435	5,542,288	5,472,794
Total Accrued Liability (EAN)	6,822,916	6,852,713	6,293,863	5,942,275
AVA / Total Accrued Liability (EAN)	88.0%	82.6%	88.1%	92.1%
Net Cash Flow Ratio				
Net Cash Flow [1]	(46,676)	(100,036)	(197,491)	(198,342)
Market Value of Assets (MVA)	6,261,366	5,258,060	4,935,208	5,927,788
Ratio	-0.7%	-1.9%	-4.0%	-3.3%

[1] Determined as total contributions minus benefit payments and administrative expenses.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2024

ASSETS	MARKET VALUE
Cash and Cash Equivalents:	
Cash	88,445.29
Total Cash and Equivalents	88,445.29
Receivables:	
City Contributions in Transit	32,749.07
Total Receivable	32,749.07
Investments:	
Pooled/Common/Commingled Funds:	
Fixed Income	1,851,033.58
Equity	3,784,194.94
Real Estate	593,846.95
Total Investments	6,229,075.47
Total Assets	6,350,269.83
LIABILITIES	
Prepaid City Contribution	88,903.48
Total Liabilities	88,903.48
NET POSITION RESTRICTED FOR PENSIONS	6,261,366.35

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2024
Market Value Basis

ADDITIONS		
Contributions:		
City	341,876.00	
Total Contributions		341,876.00
Investment Income:		
Net Increase in Fair Value of Investments	1,061,605.95	
Less Investment Expense[1]	(11,623.48)	
Net Investment Income		1,049,982.47
Total Additions		1,391,858.47
DEDUCTIONS		
Distributions to Members:		
Benefit Payments	362,693.18	
Lump Sum DROP Distributions	0.00	
Total Distributions		362,693.18
Administrative Expense		25,859.42
Total Deductions		388,552.60
Net Increase in Net Position		1,003,305.87
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		5,258,060.48
End of the Year		6,261,366.35

[1]Investment related expenses include investment advisory, custodial and performance monitoring fees.

ACTUARIAL ASSET VALUATION
September 30, 2024

Actuarial Assets for funding purposes are developed by recognizing the total actuarial investment gain or loss for each Plan Year over a five year period. In the first year, 20% of the gain or loss is recognized. In the second year 40%, in the third year 60%, in the fourth year 80%, and in the fifth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Gains/Losses Not Yet Recognized

Plan Year Ending	Gain/(Loss)	Amounts Not Yet Recognized by Valuation Year 2024	2025	2026	2027	2028
09/30/2020	(33,964)	0	0	0	0	0
09/30/2021	639,477	127,897	0	0	0	0
09/30/2022	(1,198,539)	(479,415)	(239,707)	0	0	0
09/30/2023	83,435	50,061	33,374	16,687	0	0
09/30/2024	701,814	561,451	421,088	280,725	140,362	0
Total		259,994	214,755	297,412	140,362	0

Development of Investment Gain/Loss

Market Value of Assets, including Prepaid Contributions, 09/30/2023	5,410,842
Contributions Less Benefit Payments & Admin Expenses	(110,555)
Expected Investment Earnings*	348,168
Actual Net Investment Earnings	1,049,982
2024 Actuarial Investment Gain/(Loss)	701,814

*Expected Investment Earnings = 0.065 * 5,410,842 - 110,555 * [(1 + 0.065) ^ 0.5 - 1]

Development of Actuarial Value of Assets

(1) Market Value of Assets, 09/30/2024	6,261,366
(2) Gains/(Losses) Not Yet Recognized	259,994
(3) Actuarial Value of Assets, 09/30/2024, (1) - (2)	6,001,372
(4) Limited Actuarial Value of Assets, 09/30/2024	6,001,372
(A) 09/30/2023 Actuarial Assets, including Prepaid Contributions:	5,814,217
(I) Net Investment Income:	
1. Net Increase in Fair Value of Investments	1,061,606
2. Change in Actuarial Value	(663,369)
3. Investment Expenses	(11,623)
Total	386,613
(B) 09/30/2024 Actuarial Assets, including Prepaid Contributions:	6,090,276
Actuarial Assets Rate of Return = 2I/(A+B-I):	6.71%
Market Value of Assets Rate of Return:	19.64%
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	12,282

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
SEPTEMBER 30, 2024
Actuarial Asset Basis

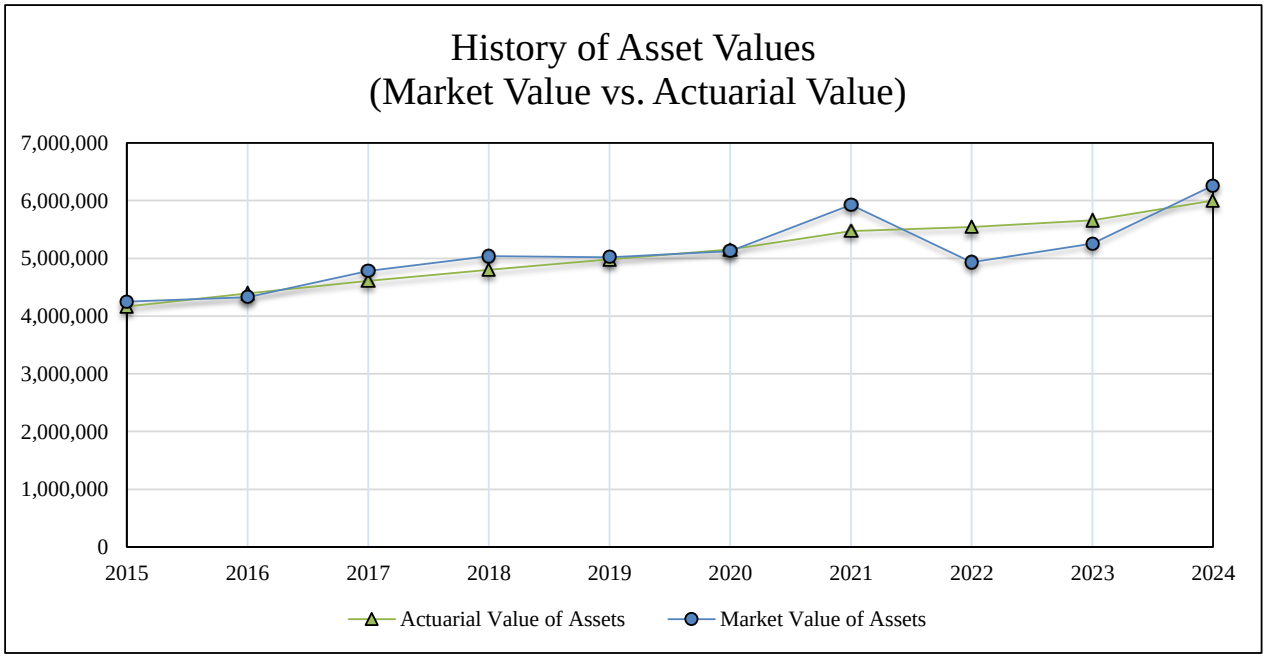
REVENUES		
Contributions:		
City	341,876.00	
Total Contributions		341,876.00
Earnings from Investments:		
Net Increase in Fair Value of Investments	1,061,605.95	
Change in Actuarial Value	(663,369.00)	
Total Earnings and Investment Gains		398,236.95
EXPENDITURES		
Distributions to Members:		
Benefit Payments	362,693.18	
Lump Sum DROP Distributions	0.00	
Total Distributions		362,693.18
Expenses:		
Investment related[1]	11,623.48	
Administrative	25,859.42	
Total Expenses		37,482.90
Change in Net Assets for the Year		339,936.87
Net Assets Beginning of the Year		5,661,435.48
Net Assets End of the Year[2]		6,001,372.35

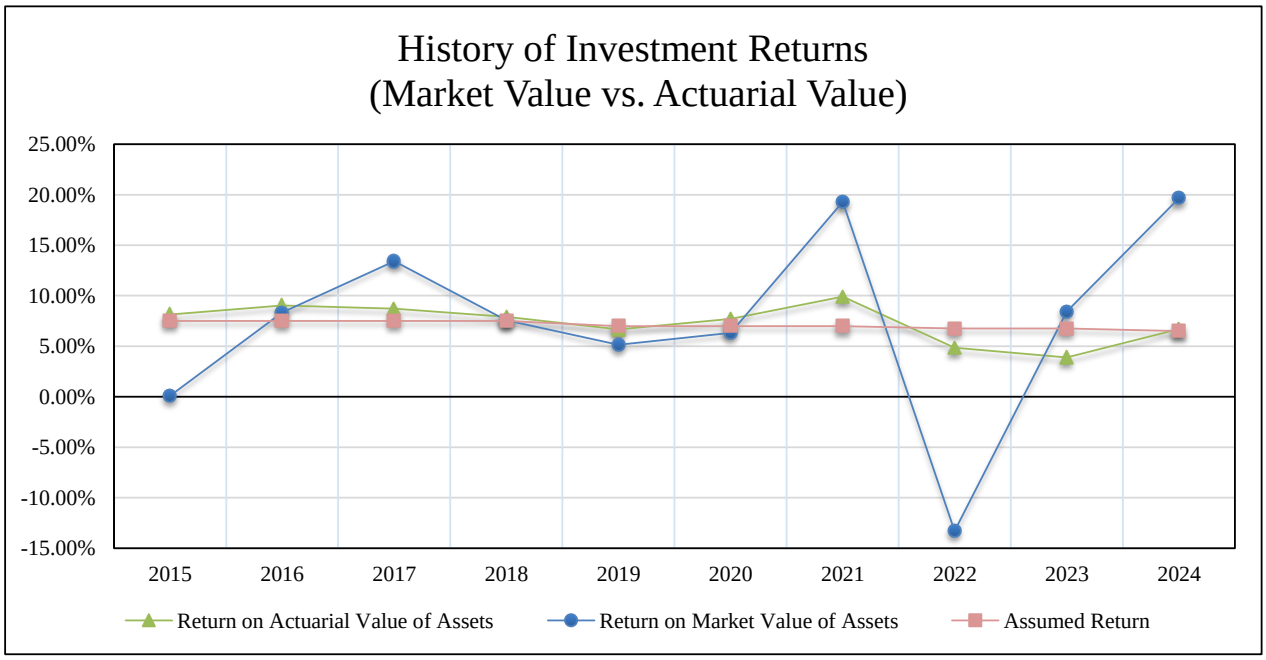
[1]Investment related expenses include investment advisory, custodial and performance monitoring fees.
[2]Net Assets may be limited for actuarial consideration.

RECONCILIATION OF CITY SHORTFALL/(PREPAID) CONTRIBUTION
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2024

(1)	Required City Contributions	$341,876.00
(2)	Less 2023 Prepaid Contribution	(152,781.85)
(3)	Less Actual City Contributions	(277,997.63)
(4)	Equals City's Shortfall/(Prepaid) Contribution as of September 30, 2024	($88,903.48)

HISTORY OF ASSET VALUES AND INVESTMENT RETURNS





STATISTICAL DATA

	10/1/2024	10/1/2023	10/1/2022	10/1/2021
Actives				
Number	42	44	49	44
Average Current Age	46.2	45.6	45.5	44.0
Average Age at Employment	39.3	39.5	40.3	38.9
Average Past Service	6.9	6.1	5.2	5.1
Average Annual Salary	$59,885	$53,115	$46,590	$41,808
Service Retirees				
Number	28	27	26	29
Average Current Age	73.5	73.2	72.8	72.5
Average Annual Benefit	$11,379	$12,055	$12,759	$11,885
Beneficiaries				
Number	2	1	1	0
Average Current Age	74.1	70.1	69.1	N/A
Average Annual Benefit	$4,961	$5,275	$5,275	N/A
Disability Retirees				
Number	3	3	2	2
Average Current Age	62.0	61.0	64.2	63.2
Average Annual Benefit	$10,810	$11,102	$11,150	$11,150
Terminated Vested				
Number	12	15	17	15
Average Current Age	58.5	59.1	59.0	57.9
Average Annual Benefit	$7,149	$7,322	$6,923	$6,943

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19												0
20 - 24	1											1
25 - 29			2			1						3
30 - 34		2		1	2	2						7
35 - 39						1						1
40 - 44	1	1						1				3
45 - 49	1	2		2		1						6
50 - 54	3	1		1	1	1	1	2				10
55 - 59			1	1	1	1	1				1	6
60 - 64	1		1								1	3
65+					1					1		2
Total	7	6	4	5	5	7	2	3	0	1	2	42

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2023	44
b. Terminations	
i. Vested (partial or full) with deferred annuity	0
ii. Vested in refund of member contributions only	0
iii. Refund of member contributions or full lump sum distribution	(9)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. Continuing participants	35
g. New entrants / Rehires	7
h. Total active life participants in valuation	42

2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees, Vested Receiving Benefits	Receiving Death Benefits	Receiving Disability Benefits	Vested (Deferred Annuity)	Total
a. Number prior valuation	27	1	3	15	46
Retired	3			(3)	0
Vested (Deferred Annuity)					0
Vested (Due Refund)					0
Hired/Terminated in Same Year					0
Death, With Survivor	(1)	1			0
Death, No Survivor	(1)				(1)
Disabled					0
Refund of Contributions					0
Rehires					0
Expired Annuities					0
Data Corrections					0
b. Number current valuation	28	2	3	12	45

SUMMARY OF CURRENT PLAN
(Through Ordinance 2022-08)

Effective Date	January 1, 1969
Participation	All full-time permanent general employees of the City of Fort Meade become members on the first day of the month following, or coinciding with, their date of employment.
Credited Service	Years and fractional parts of years completed to the nearest full month.
Average Monthly Earnings	Average of total cash remuneration (including overtime and payments for accrued vacation and longevity, but excluding bonuses) during the last 5 years prior to retirement or termination.
Normal Retirement	
Eligibility	The earlier of: 1) Age 65 with at least 5 years of Credited Service; or 2) Age 62 with at least 30 years of Credited Service; or 3) Age 60 with at least 35 years of Credited Service; or 4) Completion of 40 years of Credited Service, regardless of age; or 5) Completion of 5 years of Credit Service based on the entry age in the following schedule:

Entry Age	Retirement Age
60 and under	65
61	66
62	67
63	68
64	69
65 and over	70

Benefit Amount	1.5% of Average Final Compensation times Credited Service.
Form of Benefit	Single Life Annuity (options available).

Early Retirement

Eligibility	Age 60 and 20 Years of Credited Service.
Benefit Amount	Benefit determined as for Normal Retirement, but reduced 5% for each year that Early Retirement precedes age 65.

Disability

Service Connected

Eligibility	The participant must have become disabled in the line of duty due to a sickness or injury which renders him or her unable to perform his or her own occupation with the City.
Benefit	The greater of: 1) Monthly accrued benefit; or 2) 30% of salary in effect at the time of disablement.

Non-Service Connected

Eligibility	10 years of Credited Service and the participant must be disabled due to a sickness or injury which renders him or her unable to perform his or her own occupation with the City.
Benefit	Monthly accrued benefit.

Vesting (Termination of Employment)

Eligibility	At least 5 years of Credited Service.
Benefit Amount	Accrued benefit payable at age 65 unreduced or accrued benefit reduced 5% for each year commencement precedes age 65.

Pre-Retirement Death

Prior to Normal Retirement Eligibility

Benefit	Single lump sum payment to the spouse of the participant equal to the actuarially equivalent value of 75% of the participant's vested accrued benefit.

On or After Normal Retirement Eligibility

Benefit	66 ⅔% of the participant's accrued 66 ⅔% joint and contingent annuity payable to the spouse for life. The spouse may elect to receive the 75% lump sum benefit that is payable in the case of a pre-retirement death prior to reaching Normal Retirement eligibility.

Deferred Retirement Option Plan

Eligibility	Later of Age 62 or Normal Retirement eligibility.
Participation	Not to exceed 36 months.
Rate of Return	6.0% per annum.
Form of Distribution	Cash lump sum (options available) at termination of employment.