

CITY OF PALM BAY
POLICE AND FIREFIGHTERS' PENSION FUND
(General Employees)

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2022 VALUATION DATE



June 30, 2023

VIA E-MAIL

Ms. Kathy Adams, Plan Administrator
City of Palm Bay Police & Fire Pension Fund
1501 Robert J. Conlan Blvd., NE, Suite 240
Palm Bay, FL 32905-3567

Re: City of Palm Bay Police and Firefighters' Pension Fund (General Employees)
Section 112.664, Florida Statutes Compliance

Dear Kathy:

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: 

Bradley R. Heinrichs, FSA, EA, MAAA
Enrolled Actuary #23-6901

Enclosures

cc via email: Robert Klausner, Board Attorney

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

	ACTUAL	HYPOTHETICAL	
	7.65%	5.65%	9.65%
Discount Rate:	7.65%	5.65%	9.65%
<u>Total Pension Liability</u>			
Service Cost	-	-	-
Interest	1,200	950	1,419
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(4,414)	(4,431)	(4,401)
Changes of Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(2,532)	(2,532)	(2,532)
Net Change in Total Pension Liability	(5,746)	(6,013)	(5,514)
Total Pension Liability - Beginning	16,952	18,079	15,975
Total Pension Liability - Ending (a)	<u>\$ 11,206</u>	<u>\$ 12,066</u>	<u>\$ 10,461</u>
<u>Plan Fiduciary Net Position</u>			
Net Investment Income	(38,418)	(38,418)	(38,418)
Benefit Payments, Including Refunds of Employee Contributions	(2,532)	(2,532)	(2,532)
Administrative Expenses	(2,532)	(2,532)	(2,532)
Net Change in Plan Fiduciary Net Position	(43,482)	(43,482)	(43,482)
Plan Fiduciary Net Position - Beginning	248,694	248,694	248,694
Plan Fiduciary Net Position - Ending (b)	<u>\$ 205,212</u>	<u>\$ 205,212</u>	<u>\$ 205,212</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (194,006)</u>	<u>\$ (193,146)</u>	<u>\$ (194,751)</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 7.65%

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	205,212	-	2,435	-	15,606	218,383
2023	218,383	-	2,220	-	16,621	232,784
2024	232,784	-	2,001	-	17,731	248,514
2025	248,514	-	1,780	-	18,943	265,677
2026	265,677	-	1,562	-	20,265	284,380
2027	284,380	-	1,350	-	21,703	304,733
2028	304,733	-	1,148	-	23,268	326,853
2029	326,853	-	960	-	24,968	350,861
2030	350,861	-	788	-	26,811	376,884
2031	376,884	-	634	-	28,807	405,057
2032	405,057	-	499	-	30,968	435,526
2033	435,526	-	383	-	33,303	468,446
2034	468,446	-	287	-	35,825	503,984
2035	503,984	-	210	-	38,547	542,321
2036	542,321	-	149	-	41,482	583,654
2037	583,654	-	103	-	44,646	628,197
2038	628,197	-	69	-	48,054	676,182
2039	676,182	-	45	-	51,726	727,863
2040	727,863	-	29	-	55,680	783,514
2041	783,514	-	18	-	59,938	843,434
2042	843,434	-	10	-	64,522	907,946
2043	907,946	-	6	-	69,458	977,398
2044	977,398	-	3	-	74,771	1,052,166
2045	1,052,166	-	2	-	80,491	1,132,655
2046	1,132,655	-	1	-	86,648	1,219,302
2047	1,219,302	-	-	-	93,277	1,312,579

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 7.65% 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 = 5.65%

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	205,212	-	2,435	-	11,526	214,303
2023	214,303	-	2,220	-	12,045	224,128
2024	224,128	-	2,001	-	12,607	234,734
2025	234,734	-	1,780	-	13,212	246,166
2026	246,166	-	1,562	-	13,864	258,468
2027	258,468	-	1,350	-	14,565	271,683
2028	271,683	-	1,148	-	15,318	285,853
2029	285,853	-	960	-	16,124	301,017
2030	301,017	-	788	-	16,985	317,214
2031	317,214	-	634	-	17,905	334,485
2032	334,485	-	499	-	18,884	352,870
2033	352,870	-	383	-	19,926	372,413
2034	372,413	-	287	-	21,033	393,159
2035	393,159	-	210	-	22,208	415,157
2036	415,157	-	149	-	23,452	438,460
2037	438,460	-	103	-	24,770	463,127
2038	463,127	-	69	-	26,165	489,223
2039	489,223	-	45	-	27,640	516,818
2040	516,818	-	29	-	29,199	545,988
2041	545,988	-	18	-	30,848	576,818
2042	576,818	-	10	-	32,590	609,398
2043	609,398	-	6	-	34,431	643,823
2044	643,823	-	3	-	36,376	680,196
2045	680,196	-	2	-	38,431	718,625
2046	718,625	-	1	-	40,602	759,226
2047	759,226	-	-	-	42,896	802,122

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 5.65% 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 3
Hypothetical Assumptions: Discount Rate = 9.65%

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	205,212	-	2,435	-	19,685	222,462
2023	222,462	-	2,220	-	21,360	241,602
2024	241,602	-	2,001	-	23,218	262,819
2025	262,819	-	1,780	-	25,276	286,315
2026	286,315	-	1,562	-	27,554	312,307
2027	312,307	-	1,350	-	30,072	341,029
2028	341,029	-	1,148	-	32,854	372,735
2029	372,735	-	960	-	35,923	407,698
2030	407,698	-	788	-	39,305	446,215
2031	446,215	-	634	-	43,029	488,610
2032	488,610	-	499	-	47,127	535,238
2033	535,238	-	383	-	51,632	586,487
2034	586,487	-	287	-	56,582	642,782
2035	642,782	-	210	-	62,018	704,590
2036	704,590	-	149	-	67,986	772,427
2037	772,427	-	103	-	74,534	846,858
2038	846,858	-	69	-	81,718	928,507
2039	928,507	-	45	-	89,599	1,018,061
2040	1,018,061	-	29	-	98,241	1,116,273
2041	1,116,273	-	18	-	107,719	1,223,974
2042	1,223,974	-	10	-	118,113	1,342,077
2043	1,342,077	-	6	-	129,510	1,471,581
2044	1,471,581	-	3	-	142,007	1,613,585
2045	1,613,585	-	2	-	155,711	1,769,294
2046	1,769,294	-	1	-	170,737	1,940,030
2047	1,940,030	-	-	-	187,213	2,127,243

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 9.65% 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, 2024

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL	
Investment Rate of Return:	7.65%	5.65%	9.65%
Minimum Required Contribution (% of Payroll)	0.0%	0.0%	0.0%

ASSETS

Actuarial Value	233,927	233,927	233,927
Market Value	205,212	205,212	205,212

LIABILITIES

Present Value of Benefits			
Active Members			
Retirement Benefits	0	0	0
Disability Benefits	0	0	0
Death Benefits	0	0	0
Vested Benefits	0	0	0
Refund of Contributions	0	0	0
Service Retirees	0	0	0
Beneficiaries	12,188	13,120	11,381
Disability Retirees	0	0	0
Terminated Vested	0	0	0
Total:	12,188	13,120	11,381
Present Value of Future Salaries	0	0	0
Present Value of Future Member Contributions	0	0	0
Total Normal Cost	0	0	0
Present Value of Future Normal Costs (Entry Age Normal)	0	0	0
Total Actuarial Accrued Liability (EAN)	12,188	13,120	11,381
Unfunded Actuarial Accrued Liability (UAAL)	0	0	0

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2024

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL	
	7.65%	5.65%	9.65%
Investment Rate of Return:			
<u>PENSION COST</u>			
Normal Cost (with interest)	0	0	0
Administrative Expenses (with interest)	0	0	0
Payment Required To Amortize UAAL (with interest)	0	0	0
Minimum Required Contribution	\$0	\$0	\$0