

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

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2023 VALUATION DATE



June 14, 2024

VIA E-MAIL

Ms. Katie Taglia-Polak, Executive Director
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 Katie:

Please find enclosed the annual disclosures that satisfy the October 1, 2023 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, 2023 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, 2023

	ACTUAL	HYPOTHETICAL	HYPOTHETICAL
Discount Rate:	7.65%	5.65%	9.65%
Total Pension Liability			
Service Cost	-	-	-
Interest	760	610	887
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	1,057	1,113	1,009
Changes of Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(2,532)	(2,532)	(2,532)
Net Change in Total Pension Liability	(715)	(809)	(636)
Total Pension Liability - Beginning	11,206	12,066	10,461
Total Pension Liability - Ending (a)	\$ 10,491	\$ 11,257	\$ 9,825
Plan Fiduciary Net Position			
Net Investment Income	28,282	28,282	28,282
Benefit Payments, Including Refunds of Employee Contributions	(2,532)	(2,532)	(2,532)
Administrative Expenses	(2,847)	(2,847)	(2,847)
Net Change in Plan Fiduciary Net Position	22,903	22,903	22,903
Plan Fiduciary Net Position - Beginning	205,212	205,212	205,212
Plan Fiduciary Net Position - Ending (b)	\$ 228,115	\$ 228,115	\$ 228,115
Net Pension Liability - Ending (a) - (b)	\$ (217,624)	\$ (216,858)	\$ (218,290)

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
2023	228,115	-	2,423	-	17,358	243,050
2024	243,050	-	2,183	-	18,510	259,377
2025	259,377	-	1,942	-	19,768	277,203
2026	277,203	-	1,704	-	21,141	296,640
2027	296,640	-	1,473	-	22,637	317,804
2028	317,804	-	1,253	-	24,264	340,815
2029	340,815	-	1,048	-	26,032	365,799
2030	365,799	-	860	-	27,951	392,890
2031	392,890	-	692	-	30,030	422,228
2032	422,228	-	544	-	32,280	453,964
2033	453,964	-	418	-	34,712	488,258
2034	488,258	-	314	-	37,340	525,284
2035	525,284	-	229	-	40,175	565,230
2036	565,230	-	163	-	43,234	608,301
2037	608,301	-	113	-	46,531	654,719
2038	654,719	-	76	-	50,083	704,726
2039	704,726	-	49	-	53,910	758,587
2040	758,587	-	31	-	58,031	816,587
2041	816,587	-	19	-	62,468	879,036
2042	879,036	-	11	-	67,246	946,271
2043	946,271	-	6	-	72,390	1,018,655
2044	1,018,655	-	4	-	77,927	1,096,578
2045	1,096,578	-	2	-	83,888	1,180,464
2046	1,180,464	-	1	-	90,305	1,270,768
2047	1,270,768	-	1	-	97,214	1,367,981
2048	1,367,981	-	-	-	104,651	1,472,632

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
2023	228,115	-	2,423	-	12,820	238,512
2024	238,512	-	2,183	-	13,414	249,743
2025	249,743	-	1,942	-	14,056	261,857
2026	261,857	-	1,704	-	14,747	274,900
2027	274,900	-	1,473	-	15,490	288,917
2028	288,917	-	1,253	-	16,288	303,952
2029	303,952	-	1,048	-	17,144	320,048
2030	320,048	-	860	-	18,058	337,246
2031	337,246	-	692	-	19,035	355,589
2032	355,589	-	544	-	20,075	375,120
2033	375,120	-	418	-	21,182	395,884
2034	395,884	-	314	-	22,359	417,929
2035	417,929	-	229	-	23,607	441,307
2036	441,307	-	163	-	24,929	466,073
2037	466,073	-	113	-	26,330	492,290
2038	492,290	-	76	-	27,812	520,026
2039	520,026	-	49	-	29,380	549,357
2040	549,357	-	31	-	31,038	580,364
2041	580,364	-	19	-	32,790	613,135
2042	613,135	-	11	-	34,642	647,766
2043	647,766	-	6	-	36,599	684,359
2044	684,359	-	4	-	38,666	723,021
2045	723,021	-	2	-	40,851	763,870
2046	763,870	-	1	-	43,159	807,028
2047	807,028	-	1	-	45,597	852,624
2048	852,624	-	-	-	48,173	900,797

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
2023	228,115	-	2,423	-	21,896	247,588
2024	247,588	-	2,183	-	23,787	269,192
2025	269,192	-	1,942	-	25,883	293,133
2026	293,133	-	1,704	-	28,205	319,634
2027	319,634	-	1,473	-	30,774	348,935
2028	348,935	-	1,253	-	33,612	381,294
2029	381,294	-	1,048	-	36,744	416,990
2030	416,990	-	860	-	40,198	456,328
2031	456,328	-	692	-	44,002	499,638
2032	499,638	-	544	-	48,189	547,283
2033	547,283	-	418	-	52,793	599,658
2034	599,658	-	314	-	57,852	657,196
2035	657,196	-	229	-	63,408	720,375
2036	720,375	-	163	-	69,508	789,720
2037	789,720	-	113	-	76,203	865,810
2038	865,810	-	76	-	83,547	949,281
2039	949,281	-	49	-	91,603	1,040,835
2040	1,040,835	-	31	-	100,439	1,141,243
2041	1,141,243	-	19	-	110,129	1,251,353
2042	1,251,353	-	11	-	120,755	1,372,097
2043	1,372,097	-	6	-	132,407	1,504,498
2044	1,504,498	-	4	-	145,184	1,649,678
2045	1,649,678	-	2	-	159,194	1,808,870
2046	1,808,870	-	1	-	174,556	1,983,425
2047	1,983,425	-	1	-	191,400	2,174,824
2048	2,174,824	-	-	-	209,871	2,384,695

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, 2025

Valuation Date: 10/1/2023

	ACTUAL	HYPOTHETICAL	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	240,884	240,884	240,884
Market Value	228,115	228,115	228,115

LIABILITIES

Present Value of Benefits			
Actives			
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	11,547	12,384	10,817
Disability Retirees	0	0	0
Terminated Vested	0	0	0
Total:	11,547	12,384	10,817
Present Value of Future Salaries	0	0	0
Present Value of Future Total Normal Cost	0	0	0
Present Value of Future Normal Costs (Entry Age Normal)	0	0	0
Total Actuarial Accrued Liability (EAN)	11,547	12,384	10,817
Unfunded Actuarial Accrued Liability (UAAL)	0	0	0

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2025

Valuation Date: 10/1/2023

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>	<u>HYPOTHETICAL</u>
Investment Rate of Return:	7.65%	5.65%	9.65%
<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)	<u>0</u>	<u>0</u>	<u>0</u>
Minimum Required Contribution	\$0	\$0	\$0