

CITY OF PALM BAY  
POLICE AND FIREFIGHTERS' PENSION FUND  
(Police Officers)

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 (Police Officers)  
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	
	7.50%	5.50%	9.50%
Discount Rate:			
<b><u>Total Pension Liability</u></b>			
Service Cost	1,804,281	3,058,571	1,123,683
Interest	10,710,139	10,387,549	10,719,601
Share Plan Allocation	249,643	249,643	249,643
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	264,507	516,071	117,765
Changes of Assumptions	2,678,105	4,133,415	1,819,075
Contributions - Buy Back	25,096	25,096	25,096
Benefit Payments, Including Refunds of Employee Contributions	(6,912,117)	(6,912,117)	(6,912,117)
Net Change in Total Pension Liability	8,819,654	11,458,228	7,142,746
Total Pension Liability - Beginning	141,653,598	184,247,910	113,416,319
Total Pension Liability - Ending (a)	<u>\$ 150,473,252</u>	<u>\$ 195,706,138</u>	<u>\$ 120,559,065</u>
<b><u>Plan Fiduciary Net Position</u></b>			
Contributions - Employer	2,200,691	2,200,691	2,200,691
Contributions - State	1,020,019	1,020,019	1,020,019
Contributions - Employee	832,048	832,048	832,048
Contributions - Buy Back	25,096	25,096	25,096
Net Investment Income	(28,677,347)	(28,677,347)	(28,677,347)
Benefit Payments, Including Refunds of Employee Contributions	(6,912,117)	(6,912,117)	(6,912,117)
Administrative Expenses	(288,795)	(288,795)	(288,795)
Net Change in Plan Fiduciary Net Position	(31,800,405)	(31,800,405)	(31,800,405)
Plan Fiduciary Net Position - Beginning	145,103,579	145,103,579	145,103,579
Plan Fiduciary Net Position - Ending (b)	<u>\$ 113,303,174</u>	<u>\$ 113,303,174</u>	<u>\$ 113,303,174</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 37,170,078</u>	<u>\$ 82,402,964</u>	<u>\$ 7,255,891</u>

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

Table 1  
Plan Assumptions: Discount Rate = 7.50%

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	113,240,734	-	11,468,618	-	8,062,982	109,835,098
2023	109,835,098	-	7,524,423	-	7,955,466	110,266,141
2024	110,266,141	-	7,794,556	-	7,977,665	110,449,250
2025	110,449,250	-	8,216,039	-	7,975,592	110,208,803
2026	110,208,803	-	8,684,014	-	7,940,010	109,464,799
2027	109,464,799	-	9,246,146	-	7,863,129	108,081,782
2028	108,081,782	-	9,608,084	-	7,745,831	106,219,529
2029	106,219,529	-	9,917,388	-	7,594,563	103,896,704
2030	103,896,704	-	10,152,067	-	7,411,550	101,156,187
2031	101,156,187	-	10,348,447	-	7,198,647	98,006,387
2032	98,006,387	-	10,578,089	-	6,953,801	94,382,099
2033	94,382,099	-	10,769,129	-	6,674,815	90,287,785
2034	90,287,785	-	10,953,263	-	6,360,837	85,695,359
2035	85,695,359	-	11,160,495	-	6,008,633	80,543,497
2036	80,543,497	-	11,324,578	-	5,616,091	74,835,010
2037	74,835,010	-	11,493,844	-	5,181,607	68,522,773
2038	68,522,773	-	11,636,686	-	4,702,832	61,588,919
2039	61,588,919	-	11,805,352	-	4,176,468	53,960,035
2040	53,960,035	-	11,963,462	-	3,598,373	45,594,946
2041	45,594,946	-	12,063,832	-	2,967,227	36,498,341
2042	36,498,341	-	12,163,423	-	2,281,247	26,616,165
2043	26,616,165	-	12,228,675	-	1,537,637	15,925,127
2044	15,925,127	-	12,272,135	-	734,179	4,387,171
2045	4,387,171	-	12,286,439	-	-	-

\*All DROP and Share Balances paid in 2022.

Number of Years Expected Benefit Payments Sustained: 23.36

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.50% 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 = 5.50%

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	113,240,734	-	11,468,618	-	5,912,853	107,684,969
2023	107,684,969	-	7,524,423	-	5,715,752	105,876,298
2024	105,876,298	-	7,794,556	-	5,608,846	103,690,588
2025	103,690,588	-	8,216,039	-	5,477,041	100,951,590
2026	100,951,590	-	8,684,014	-	5,313,527	97,581,103
2027	97,581,103	-	9,246,146	-	5,112,692	93,447,649
2028	93,447,649	-	9,608,084	-	4,875,398	88,714,963
2029	88,714,963	-	9,917,388	-	4,606,595	83,404,170
2030	83,404,170	-	10,152,067	-	4,308,048	77,560,151
2031	77,560,151	-	10,348,447	-	3,981,226	71,192,930
2032	71,192,930	-	10,578,089	-	3,624,714	64,239,555
2033	64,239,555	-	10,769,129	-	3,237,024	56,707,450
2034	56,707,450	-	10,953,263	-	2,817,695	48,571,882
2035	48,571,882	-	11,160,495	-	2,364,540	39,775,927
2036	39,775,927	-	11,324,578	-	1,876,250	30,327,599
2037	30,327,599	-	11,493,844	-	1,351,937	20,185,692
2038	20,185,692	-	11,636,686	-	790,204	9,339,210
2039	9,339,210	-	11,805,352	-	-	-

\*All DROP and Share Balances paid in 2022.

Number of Years Expected Benefit Payments Sustained: 17.79

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.50% 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 = 9.50%

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	113,240,734	-	11,468,618	-	10,213,110	111,985,226
2023	111,985,226	-	7,524,423	-	10,281,186	114,741,989
2024	114,741,989	-	7,794,556	-	10,530,248	117,477,681
2025	117,477,681	-	8,216,039	-	10,770,118	120,031,760
2026	120,031,760	-	8,684,014	-	10,990,527	122,338,273
2027	122,338,273	-	9,246,146	-	11,182,944	124,275,071
2028	124,275,071	-	9,608,084	-	11,349,748	126,016,735
2029	126,016,735	-	9,917,388	-	11,500,514	127,599,861
2030	127,599,861	-	10,152,067	-	11,639,764	129,087,558
2031	129,087,558	-	10,348,447	-	11,771,767	130,510,878
2032	130,510,878	-	10,578,089	-	11,896,074	131,828,863
2033	131,828,863	-	10,769,129	-	12,012,208	133,071,942
2034	133,071,942	-	10,953,263	-	12,121,554	134,240,233
2035	134,240,233	-	11,160,495	-	12,222,699	135,302,437
2036	135,302,437	-	11,324,578	-	12,315,814	136,293,673
2037	136,293,673	-	11,493,844	-	12,401,941	137,201,770
2038	137,201,770	-	11,636,686	-	12,481,426	138,046,510
2039	138,046,510	-	11,805,352	-	12,553,664	138,794,822
2040	138,794,822	-	11,963,462	-	12,617,244	139,448,604
2041	139,448,604	-	12,063,832	-	12,674,585	140,059,357
2042	140,059,357	-	12,163,423	-	12,727,876	140,623,810
2043	140,623,810	-	12,228,675	-	12,778,400	141,173,535
2044	141,173,535	-	12,272,135	-	12,828,559	141,729,959
2045	141,729,959	-	12,286,439	-	12,880,740	142,324,260
2046	142,324,260	-	12,250,080	-	12,938,926	143,013,106
2047	143,013,106	-	12,154,080	-	13,008,926	143,867,952
2048	143,867,952	-	12,029,119	-	13,096,072	144,934,905
2049	144,934,905	-	11,869,261	-	13,205,026	146,270,670
2050	146,270,670	-	11,646,961	-	13,342,483	147,966,192
2051	147,966,192	-	11,379,229	-	13,516,275	150,103,238
2052	150,103,238	-	11,073,919	-	13,733,796	152,763,115
2053	152,763,115	-	10,735,363	-	14,002,566	156,030,318
2054	156,030,318	-	10,352,266	-	14,331,148	160,009,200
2055	160,009,200	-	9,950,263	-	14,728,237	164,787,174
2056	164,787,174	-	9,521,223	-	15,202,523	170,468,474
2057	170,468,474	-	9,073,775	-	15,763,501	177,158,200
2058	177,158,200	-	8,612,721	-	16,420,925	184,966,404
2059	184,966,404	-	8,130,359	-	17,185,616	194,021,661
2060	194,021,661	-	7,652,852	-	18,068,547	204,437,356
2061	204,437,356	-	7,172,884	-	19,080,837	216,345,309
2062	216,345,309	-	6,690,400	-	20,235,010	229,889,919
2063	229,889,919	-	6,215,985	-	21,544,283	245,218,217
2064	245,218,217	-	5,752,649	-	23,022,480	262,488,048
2065	262,488,048	-	5,303,279	-	24,684,459	281,869,228
2066	281,869,228	-	4,871,207	-	26,546,194	303,544,215
2067	303,544,215	-	4,458,656	-	28,624,914	327,710,473
2068	327,710,473	-	4,067,747	-	30,939,277	354,582,003
2069	354,582,003	-	3,700,182	-	33,509,532	384,391,353

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

Table 3  
Hypothetical Assumptions: Discount Rate = 9.50%

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
2070	384,391,353	-	3,357,133	-	36,357,715	417,391,935
2071	417,391,935	-	3,039,100	-	39,507,877	453,860,712
2072	453,860,712	-	2,745,909	-	42,986,337	494,101,140
2073	494,101,140	-	2,476,970	-	46,821,952	538,446,122
2074	538,446,122	-	2,231,287	-	51,046,395	587,261,230
2075	587,261,230	-	2,007,546	-	55,694,458	640,948,142
2076	640,948,142	-	1,804,286	-	60,804,370	699,948,226
2077	699,948,226	-	1,619,817	-	66,418,140	764,746,549
2078	764,746,549	-	1,452,230	-	72,581,941	835,876,260
2079	835,876,260	-	1,299,826	-	79,346,503	913,922,937
2080	913,922,937	-	1,161,066	-	86,767,528	999,529,399
2081	999,529,399	-	1,034,603	-	94,906,149	1,093,400,945
2082	1,093,400,945	-	919,270	-	103,829,424	1,196,311,099
2083	1,196,311,099	-	813,913	-	113,610,894	1,309,108,080
2084	1,309,108,080	-	717,536	-	124,331,185	1,432,721,729
2085	1,432,721,729	-	629,398	-	136,078,668	1,568,170,999
2086	1,568,170,999	-	548,940	-	148,950,170	1,716,572,229
2087	1,716,572,229	-	475,684	-	163,051,767	1,879,148,312
2088	1,879,148,312	-	409,205	-	178,499,652	2,057,238,759
2089	2,057,238,759	-	349,215	-	195,421,094	2,252,310,638
2090	2,252,310,638	-	295,437	-	213,955,477	2,465,970,678
2091	2,465,970,678	-	247,600	-	234,255,453	2,699,978,531
2092	2,699,978,531	-	205,397	-	256,488,204	2,956,261,338
2093	2,956,261,338	-	168,494	-	280,836,824	3,236,929,668
2094	3,236,929,668	-	136,570	-	307,501,831	3,544,294,929
2095	3,544,294,929	-	109,257	-	336,702,829	3,880,888,501
2096	3,880,888,501	-	86,184	-	368,680,314	4,249,482,631
2097	4,249,482,631	-	66,962	-	403,697,669	4,653,113,338
2098	4,653,113,338	-	51,182	-	442,043,336	5,095,105,492
2099	5,095,105,492	-	38,432	-	484,033,196	5,579,100,256
2100	5,579,100,256	-	28,314	-	530,013,179	6,109,085,121
2101	6,109,085,121	-	20,434	-	580,362,116	6,689,426,803
2102	6,689,426,803	-	14,421	-	635,494,861	7,324,907,243
2103	7,324,907,243	-	9,937	-	695,865,716	8,020,763,022
2104	8,020,763,022	-	6,676	-	761,972,170	8,782,728,516
2105	8,782,728,516	-	4,366	-	834,359,002	9,617,083,152
2106	9,617,083,152	-	2,772	-	913,622,768	10,530,703,148
2107	10,530,703,148	-	1,707	-	1,000,416,718	11,531,118,159
2108	11,531,118,159	-	1,021	-	1,095,456,177	12,626,573,315
2109	12,626,573,315	-	594	-	1,199,524,437	13,826,097,158
2110	13,826,097,158	-	336	-	1,313,479,214	15,139,576,036
2111	15,139,576,036	-	185	-	1,438,259,715	16,577,835,566
2112	16,577,835,566	-	99	-	1,574,894,374	18,152,729,841
2113	18,152,729,841	-	51	-	1,724,509,332	19,877,239,122
2114	19,877,239,122	-	26	-	1,888,337,715	21,765,576,811
2115	21,765,576,811	-	13	-	2,067,729,796	23,833,306,594
2116	23,833,306,594	-	6	-	2,264,164,126	26,097,470,714
2117	26,097,470,714	-	2	-	2,479,259,718	28,576,730,430

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 PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

 Table 3  
 Hypothetical Assumptions: Discount Rate = 9.50%

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
2118	28,576,730,430	-	1	-	2,714,789,391	31,291,519,820
2119	31,291,519,820	-	-	-	2,972,694,383	34,264,214,203

\*All DROP and Share Balances paid in 2022.

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 9.50% 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	
	7.50%	5.50%	9.50%
Investment Rate of Return:	7.50%	5.50%	9.50%
Minimum Required Contribution (Fixed \$)	\$4,666,504	\$9,358,640	\$1,714,445
Minimum Required Contribution (% of Payroll)	46.9%	94.2%	17.2%
Expected Member Contribution	903,193	894,487	911,898
Expected State Money	770,377	770,377	770,377
Expected Sponsor Contribution (Fixed \$)	\$2,992,934	\$7,693,776	\$32,170
Expected Sponsor Contribution (% of Payroll)	30.0%	77.3%	0.3%

**ASSETS**

Actuarial Value <sup>1</sup>	134,109,118	134,109,118	134,109,118
Market Value <sup>1</sup>	113,240,734	113,240,734	113,240,734

**LIABILITIES**

Present Value of Benefits			
Active Members			
Retirement Benefits	52,066,504	80,472,586	35,925,174
Disability Benefits	3,307,233	4,838,318	2,398,273
Death Benefits	252,900	419,459	164,622
Vested Benefits	3,336,207	6,204,235	1,910,434
Refund of Contributions	146,563	151,571	141,893
Service Retirees	85,721,137	108,613,615	70,041,383
DROP Retirees <sup>1</sup>	11,872,346	14,776,688	10,024,434
Beneficiaries	3,043,345	3,614,696	2,616,546
Disability Retirees	5,206,249	6,690,887	4,224,924
Terminated Vested	1,687,780	2,349,801	1,283,624
Share Plan Balances <sup>1</sup>	971,647	971,647	971,647
Total:	167,611,911	229,103,503	129,702,954

Present Value of Future Salaries	69,500,900	77,546,714	63,006,515
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Present Value of Future Member Contributions	6,088,279	6,793,092	5,519,371
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Total Normal Cost	2,078,323	3,582,136	1,269,559
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Present Value of Future Normal Costs (Entry Age Normal)	14,684,601	28,573,476	8,032,527
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Total Actuarial Accrued Liability (EAN) <sup>1</sup>	152,927,310	200,530,027	121,670,427
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Unfunded Actuarial Accrued Liability (UAAL)	18,818,192	66,420,909	(12,438,691)
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ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2024

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL	
	7.50%	5.50%	9.50%
Investment Rate of Return:	7.50%	5.50%	9.50%
<b><u>PENSION COST</u></b>			
Normal Cost <sup>2</sup>	2,260,407	3,858,420	1,394,095
Administrative Expenses <sup>2</sup>	317,292	314,234	320,350
Payment Required To Amortize UAAL <sup>2</sup>	2,088,805	5,185,986	(839,796)
Minimum Required Contribution	\$4,666,504	\$9,358,640	\$1,714,445 <sup>3</sup>

<sup>1</sup> The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2022.

<sup>2</sup> Contributions developed as of 10/1/2022 displayed above have been adjusted to account for assumed salary increase and interest components.

<sup>3</sup> Reflects normal cost minimum funding requirements of Chapter 112, Florida Statutes.