

CITY OF FORT MYERS
GENERAL EMPLOYEES' PENSION PLAN

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



June 4, 2024

VIA E-MAIL

Ms. Amber McNeill, Plan Administrator
Fort Myers General Employees' Pension Fund
4100 Center Pointe Drive, Suite 108
Fort Myers, FL 33916

Re: City of Fort Myers General Employees' Pension Plan
Section 112.664, Florida Statutes Compliance

Dear Amber:

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.

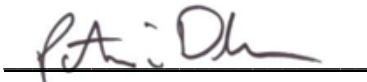
In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should 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: 

Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #23-6595

Enclosures

cc via email: Scott R. Christiansen, 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

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	7.25%	5.25%	9.25%
<u>Total Pension Liability</u>			
Service Cost	3,159,918	4,638,728	2,253,064
Interest	14,661,625	13,245,704	15,453,873
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	1,950,915	2,985,448	1,223,427
Changes of Assumptions	-	-	-
Contributions - Buy Back	97,622	97,622	97,622
Benefit Payments, Including Refunds of Employee Contributions	(13,085,114)	(13,085,114)	(13,085,114)
Net Change in Total Pension Liability	6,784,966	7,882,388	5,942,872
Total Pension Liability - Beginning	205,611,951	254,202,955	171,358,393
Total Pension Liability - Ending (a)	<u>\$ 212,396,917</u>	<u>\$ 262,085,343</u>	<u>\$ 177,301,265</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	8,552,882	8,552,882	8,552,882
Contributions - Employee	1,629,692	1,629,692	1,629,692
Contributions - Buy Back	97,622	97,622	97,622
Net Investment Income	19,602,209	19,602,209	19,602,209
Benefit Payments, Including Refunds of Employee Contributions	(13,085,114)	(13,085,114)	(13,085,114)
Administrative Expenses	(229,382)	(229,382)	(229,382)
Net Change in Plan Fiduciary Net Position	16,567,909	16,567,909	16,567,909
Plan Fiduciary Net Position - Beginning	145,224,351	145,224,351	145,224,351
Plan Fiduciary Net Position - Ending (b)	<u>\$ 161,792,260</u>	<u>\$ 161,792,260</u>	<u>\$ 161,792,260</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 50,604,657</u>	<u>\$ 100,293,083</u>	<u>\$ 15,509,005</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 7.25%

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	161,791,743	-	18,228,208	-	11,069,129	154,632,664
2024	154,632,664	-	15,007,652	-	10,666,841	150,291,853
2025	150,291,853	-	15,122,822	-	10,347,957	145,516,988
2026	145,516,988	-	15,484,270	-	9,988,677	140,021,395
2027	140,021,395	-	15,764,926	-	9,580,073	133,836,542
2028	133,836,542	-	16,074,810	-	9,120,437	126,882,169
2029	126,882,169	-	16,287,964	-	8,608,519	119,202,724
2030	119,202,724	-	16,387,683	-	8,048,144	110,863,185
2031	110,863,185	-	16,410,627	-	7,442,696	101,895,254
2032	101,895,254	-	16,430,763	-	6,791,791	92,256,282
2033	92,256,282	-	16,306,874	-	6,097,456	82,046,864
2034	82,046,864	-	16,202,632	-	5,361,052	71,205,284
2035	71,205,284	-	16,032,555	-	4,581,203	59,753,932
2036	59,753,932	-	15,805,669	-	3,759,205	47,707,468
2037	47,707,468	-	15,532,181	-	2,895,750	35,071,037
2038	35,071,037	-	15,262,264	-	1,989,393	21,798,166
2039	21,798,166	-	14,942,163	-	1,038,714	7,894,717
2040	7,894,717	-	14,592,622	-	-	-

*All DROP Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 17.54

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.25% 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 = 5.25%

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	161,791,743	-	18,228,208	-	8,015,576	151,579,111
2024	151,579,111	-	15,007,652	-	7,563,952	144,135,411
2025	144,135,411	-	15,122,822	-	7,170,135	136,182,724
2026	136,182,724	-	15,484,270	-	6,743,131	127,441,585
2027	127,441,585	-	15,764,926	-	6,276,854	117,953,513
2028	117,953,513	-	16,074,810	-	5,770,596	107,649,299
2029	107,649,299	-	16,287,964	-	5,224,029	96,585,364
2030	96,585,364	-	16,387,683	-	4,640,555	84,838,236
2031	84,838,236	-	16,410,627	-	4,023,228	72,450,837
2032	72,450,837	-	16,430,763	-	3,372,361	59,392,435
2033	59,392,435	-	16,306,874	-	2,690,047	45,775,608
2034	45,775,608	-	16,202,632	-	1,977,900	31,550,876
2035	31,550,876	-	16,032,555	-	1,235,566	16,753,887
2036	16,753,887	-	15,805,669	-	464,680	1,412,898
2037	1,412,898	-	15,532,181	-	-	-

*All DROP Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 14.09

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.25% 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 = 9.25%

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	161,791,743	-	18,228,208	-	14,122,682	157,686,217
2024	157,686,217	-	15,007,652	-	13,891,871	156,570,436
2025	156,570,436	-	15,122,822	-	13,783,335	155,230,949
2026	155,230,949	-	15,484,270	-	13,642,715	153,389,394
2027	153,389,394	-	15,764,926	-	13,459,391	151,083,859
2028	151,083,859	-	16,074,810	-	13,231,797	148,240,846
2029	148,240,846	-	16,287,964	-	12,958,960	144,911,842
2030	144,911,842	-	16,387,683	-	12,646,415	141,170,574
2031	141,170,574	-	16,410,627	-	12,299,287	137,059,234
2032	137,059,234	-	16,430,763	-	11,918,056	132,546,527
2033	132,546,527	-	16,306,874	-	11,506,361	127,746,014
2034	127,746,014	-	16,202,632	-	11,067,135	122,610,517
2035	122,610,517	-	16,032,555	-	10,599,967	117,177,929
2036	117,177,929	-	15,805,669	-	10,107,946	111,480,206
2037	111,480,206	-	15,532,181	-	9,593,556	105,541,581
2038	105,541,581	-	15,262,264	-	9,056,717	99,336,034
2039	99,336,034	-	14,942,163	-	8,497,508	92,891,379
2040	92,891,379	-	14,592,622	-	7,917,544	86,216,301
2041	86,216,301	-	14,202,077	-	7,318,162	79,332,386
2042	79,332,386	-	13,783,285	-	6,700,769	72,249,870
2043	72,249,870	-	13,344,694	-	6,065,921	64,971,097
2044	64,971,097	-	12,878,483	-	5,414,197	57,506,811
2045	57,506,811	-	12,392,749	-	4,746,215	49,860,277
2046	49,860,277	-	11,891,053	-	4,062,114	42,031,338
2047	42,031,338	-	11,372,702	-	3,361,911	34,020,547
2048	34,020,547	-	10,842,039	-	2,645,456	25,823,964
2049	25,823,964	-	10,304,237	-	1,912,146	17,431,873
2050	17,431,873	-	9,762,177	-	1,160,948	8,830,644
2051	8,830,644	-	9,219,042	-	-	-

*All DROP Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 28.96

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 9.25% 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

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>	<u>HYPOTHETICAL</u>
Investment Rate of Return:	7.25%	5.25%	9.25%
Minimum Required Contribution (Fixed \$)	\$10,055,554	\$14,599,373	\$6,066,741
Minimum Required Contribution (% of Payroll)	30.4%	44.1%	18.3%
Expected Member Contribution	866,654	1,590,430	1,590,430
Expected Sponsor Contribution (Fixed \$)	\$9,188,900	\$13,008,943	\$4,476,311
Expected Sponsor Contribution (% of Payroll)	27.9%	39.3%	13.5%

ASSETS

Actuarial Value ¹	173,554,024	173,554,024	173,554,024
Market Value ¹	161,791,743	161,791,743	161,791,743

LIABILITIES

Present Value of Benefits			
Actives			
Retirement Benefits	66,673,932	93,048,809	49,872,028
Disability Benefits	1,315,468	1,726,522	1,033,374
Death Benefits	347,479	432,549	284,036
Vested Benefits	9,784,895	15,198,106	6,631,928
Refund of Contributions	665,224	683,396	648,359
Service Retirees	113,478,370	135,605,963	97,216,631
DROP Retirees ¹	20,752,737	24,900,763	17,827,482
Beneficiaries	8,382,273	9,745,223	7,352,079
Disability Retirees	451,420	529,045	392,979
Terminated Vested	15,279,174	19,609,528	12,367,790
Total:	237,130,972	301,479,904	193,626,686
Present Value of Future Salaries	193,682,611	211,158,801	179,122,663
Present Value of Future			
Member Contributions	9,296,765	10,135,622	8,597,888
Total Normal Cost	3,383,670	5,009,705	2,389,745
Present Value of Future			
Normal Costs (Entry Age Normal)	18,337,227	30,147,323	11,762,787
Total Actuarial Accrued Liability (EAN) ¹	218,793,745	271,332,581	181,863,899
Unfunded Actuarial Accrued	45,239,721	97,778,557	8,309,875
Liability (UAAL)			

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:	7.25%	5.25%	9.25%
<u>PENSION COST</u>			
Normal Cost (with interest)	3,506,328	5,141,210	2,500,271
Administrative Expenses (with interest)	225,872	223,693	228,052
Payment Required To Amortize UAAL (with interest)	<u>6,323,354</u>	<u>9,234,470</u>	<u>3,338,418</u>
Minimum Required Contribution	\$10,055,554	\$14,599,373	\$6,066,741

¹ The asset values and liabilities include accumulated DROP Plan Balances as of 9/30/2023.