

**RETIREMENT SYSTEM FOR THE GENERAL EMPLOYEE
OF THE ST. LUCIE COUNTY FIRE DISTRICT**

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



June 12, 2024

VIA E-MAIL

Mr. Albert Lovingood
Resource Centers, LLC
4360 Northlake Blvd., Ste 206
Palm Beach Gardens, FL 33410

Re: Retirement System for the General Employees of the St. Lucie County Fire District
Section 112.664, Florida Statutes Compliance

Dear Albert:

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: 

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

Enclosures

cc via email: Bonni Jensen, 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:	7.40%	5.40%	9.40%
<u>Total Pension Liability</u>			
Service Cost	790,252	1,251,484	516,309
Interest	2,284,285	2,113,720	2,360,925
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	560,163	736,289	419,927
Changes of Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,242,712)	(1,242,712)	(1,242,712)
Net Change in Total Pension Liability	2,391,988	2,858,781	2,054,449
Total Pension Liability - Beginning	30,699,823	38,512,826	25,221,268
Total Pension Liability - Ending (a)	<u>\$ 33,091,811</u>	<u>\$ 41,371,607</u>	<u>\$ 27,275,717</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	1,664,486	1,664,486	1,664,486
Contributions - Employee	199,160	199,160	199,160
Net Investment Income	1,569,384	1,569,384	1,569,384
Benefit Payments, Including Refunds of Employee Contributions	(1,242,712)	(1,242,712)	(1,242,712)
Administrative Expenses	(85,350)	(85,350)	(85,350)
Net Change in Plan Fiduciary Net Position	2,104,968	2,104,968	2,104,968
Plan Fiduciary Net Position - Beginning	18,709,501	18,709,501	18,709,501
Plan Fiduciary Net Position - Ending (b)	<u>\$ 20,814,469</u>	<u>\$ 20,814,469</u>	<u>\$ 20,814,469</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 12,277,342</u>	<u>\$ 20,557,138</u>	<u>\$ 6,461,248</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 7.40%

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	20,809,385	-	3,768,902	-	1,400,445	18,440,928
2024	18,440,928	-	1,438,862	-	1,311,391	18,313,457
2025	18,313,457	-	1,537,515	-	1,298,308	18,074,250
2026	18,074,250	-	1,644,776	-	1,276,638	17,706,112
2027	17,706,112	-	1,777,903	-	1,244,470	17,172,679
2028	17,172,679	-	1,922,739	-	1,199,637	16,449,577
2029	16,449,577	-	2,072,306	-	1,140,593	15,517,864
2030	15,517,864	-	2,210,233	-	1,066,543	14,374,174
2031	14,374,174	-	2,293,208	-	978,840	13,059,806
2032	13,059,806	-	2,346,135	-	879,619	11,593,290
2033	11,593,290	-	2,386,314	-	769,610	9,976,586
2034	9,976,586	-	2,399,300	-	649,493	8,226,779
2035	8,226,779	-	2,405,260	-	519,787	6,341,306
2036	6,341,306	-	2,409,074	-	380,121	4,312,353
2037	4,312,353	-	2,395,050	-	230,497	2,147,800
2038	2,147,800	-	2,362,086	-	-	-

*All DROP Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 15.91

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.40% 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 = 5.40%

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	20,809,385	-	3,768,902	-	1,021,946	18,062,429
2024	18,062,429	-	1,438,862	-	936,522	17,560,089
2025	17,560,089	-	1,537,515	-	906,732	16,929,306
2026	16,929,306	-	1,644,776	-	869,774	16,154,304
2027	16,154,304	-	1,777,903	-	824,329	15,200,730
2028	15,200,730	-	1,922,739	-	768,925	14,046,916
2029	14,046,916	-	2,072,306	-	702,581	12,677,191
2030	12,677,191	-	2,210,233	-	624,892	11,091,850
2031	11,091,850	-	2,293,208	-	537,043	9,335,685
2032	9,335,685	-	2,346,135	-	440,781	7,430,331
2033	7,430,331	-	2,386,314	-	336,807	5,380,824
2034	5,380,824	-	2,399,300	-	225,783	3,207,307
2035	3,207,307	-	2,405,260	-	108,253	910,300
2036	910,300	-	2,409,074	-	-	-

*All DROP Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 13.38

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.40% 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 = 9.40%

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	20,809,385	-	3,768,902	-	1,778,944	18,819,427
2024	18,819,427	-	1,438,862	-	1,701,400	19,081,965
2025	19,081,965	-	1,537,515	-	1,721,442	19,265,892
2026	19,265,892	-	1,644,776	-	1,733,689	19,354,805
2027	19,354,805	-	1,777,903	-	1,735,790	19,312,692
2028	19,312,692	-	1,922,739	-	1,725,024	19,114,977
2029	19,114,977	-	2,072,306	-	1,699,409	18,742,080
2030	18,742,080	-	2,210,233	-	1,657,875	18,189,722
2031	18,189,722	-	2,293,208	-	1,602,053	17,498,567
2032	17,498,567	-	2,346,135	-	1,534,597	16,687,029
2033	16,687,029	-	2,386,314	-	1,456,424	15,757,139
2034	15,757,139	-	2,399,300	-	1,368,404	14,726,243
2035	14,726,243	-	2,405,260	-	1,271,220	13,592,203
2036	13,592,203	-	2,409,074	-	1,164,441	12,347,570
2037	12,347,570	-	2,395,050	-	1,048,104	11,000,624
2038	11,000,624	-	2,362,086	-	923,041	9,561,579
2039	9,561,579	-	2,343,293	-	788,654	8,006,940
2040	8,006,940	-	2,319,143	-	643,653	6,331,450
2041	6,331,450	-	2,281,469	-	487,927	4,537,908
2042	4,537,908	-	2,241,885	-	321,195	2,617,218
2043	2,617,218	-	2,203,953	-	142,433	555,698
2044	555,698	-	2,156,470	-	-	-

*All DROP Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 21.26

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 9.40% 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:	7.40%	5.40%	9.40%
Minimum Required Contribution (Fixed \$)	\$2,440,927	\$3,464,253	\$1,641,393
Minimum Required Contribution (% of Payroll)	42.2%	59.9%	28.3%
Expected Member Contribution	222,680	221,587	223,773
Expected Sponsor Contribution (Fixed \$)	\$2,218,247	\$3,242,666	\$1,417,620
Expected Sponsor Contribution (% of Payroll)	38.4%	56.1%	24.5%

ASSETS

Actuarial Value ¹	22,377,759	22,377,759	22,377,759
Market Value ¹	20,809,385	20,809,385	20,809,385

LIABILITIES

Present Value of Benefits

Actives

Retirement Benefits	21,210,642	31,259,268	15,124,603
Disability Benefits	952,974	1,284,164	733,178
Death Benefits	241,111	339,856	179,255
Vested Benefits	1,571,446	2,503,798	1,046,620
Refund of Contributions	35,335	36,447	34,299
Service Retirees	10,856,291	12,782,936	9,403,645
DROP Retirees ¹	3,428,872	3,653,749	3,265,450
Beneficiaries	428,550	491,917	378,952
Disability Retirees	302,209	371,894	252,943
Terminated Vested	1,870,919	2,448,038	1,484,012
Total:	40,898,349	55,172,067	31,902,957

Present Value of Future Salaries	43,313,132	48,657,461	39,068,700
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Present Value of Future Member Contributions	1,637,236	1,839,252	1,476,797
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Total Normal Cost	905,242	1,426,627	594,949
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Present Value of Future Normal Costs (Entry Age Normal)	6,762,433	12,208,308	3,937,749
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Total Actuarial Accrued Liability (EAN) ¹	34,135,916	42,963,759	27,965,208
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Unfunded Actuarial Accrued Liability (UAAL)	11,758,157	20,586,000	5,587,449
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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:	7.40%	5.40%	9.40%
<u>PENSION COST</u>			
Normal Cost ²	976,018	1,530,615	644,614
Administrative Expenses ²	89,104	88,667	89,542
Payment Required To Amortize UAAL ²	<u>1,375,805</u>	<u>1,844,971</u>	<u>907,237</u>
Minimum Required Contribution	\$2,440,927	\$3,464,253	\$1,641,393

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

² Contributions developed as of 10/1/2023 displayed above have been adjusted to account for assumed salary increase and interest components.