

CITY OF ST. PETE BEACH  
POLICE OFFICERS' RETIREMENT SYSTEM

SECTION 112.664, FLORIDA STATUTES COMPLIANC  
DETERMINED AS OF THE  
OCTOBER 1, 2021 VALUATION DATE



June 20, 2022

VIA E-MAIL

Kim Kilgore, Plan Administrator  
2503 Del Pardo Blvd. S., Suite 502  
Cape Coral, FL 33904

Re: City of St. Pete Beach Police Officers' Retirement System  
Section 112.664, Florida Statutes Compliance

Dear Kim:

Please find enclosed the annual disclosures that satisfy the October 1, 2021 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 #20-6595

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, 2021 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, 2021

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	6.20%	4.20%
<u>Total Pension Liability</u>		
Service Cost	-	-
Interest	1,222,496	1,092,737
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	348	(5,234)
Changes of Assumptions	1,519,746	2,190,781
Benefit Payments, Including Refunds of Employee Contributions	(1,315,175)	(1,315,175)
Net Change in Total Pension Liability	<u>1,427,415</u>	<u>1,963,109</u>
Total Pension Liability - Beginning	18,121,814	22,512,327
Total Pension Liability - Ending (a)	<u>\$ 19,549,229</u>	<u>\$ 24,475,436</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	-	-
Contributions - State	98,720	98,720
Net Investment Income	3,014,951	3,014,951
Benefit Payments, Including Refunds of Employee Contributions	(1,315,175)	(1,315,175)
Administrative Expenses	(44,420)	(44,420)
Net Change in Plan Fiduciary Net Position	<u>1,754,076</u>	<u>1,754,076</u>
Plan Fiduciary Net Position - Beginning	17,969,938	17,969,938
Plan Fiduciary Net Position - Ending (b)	<u>\$ 19,724,014</u>	<u>\$ 19,724,014</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (174,785)</u>	<u>\$ 4,751,422</u>

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

Table 1  
Plan Assumptions: Discount Rate = 6.20%

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
2021	19,724,014	-	1,367,617	-	1,180,493	19,536,890
2022	19,536,890	-	1,377,999	-	1,168,569	19,327,460
2023	19,327,460	-	1,389,869	-	1,155,217	19,092,808
2024	19,092,808	-	1,400,951	-	1,140,325	18,832,182
2025	18,832,182	-	1,412,343	-	1,123,813	18,543,652
2026	18,543,652	-	1,422,395	-	1,105,612	18,226,869
2027	18,226,869	-	1,432,197	-	1,085,668	17,880,340
2028	17,880,340	-	1,454,646	-	1,063,487	17,489,181
2029	17,489,181	-	1,466,714	-	1,038,861	17,061,328
2030	17,061,328	-	1,471,024	-	1,012,201	16,602,505
2031	16,602,505	-	1,470,050	-	983,784	16,116,239
2032	16,116,239	-	1,469,269	-	953,659	15,600,629
2033	15,600,629	-	1,465,494	-	921,809	15,056,944
2034	15,056,944	-	1,458,433	-	888,319	14,486,830
2035	14,486,830	-	1,447,797	-	853,302	13,892,335
2036	13,892,335	-	1,433,311	-	816,892	13,275,916
2037	13,275,916	-	1,414,757	-	779,249	12,640,408
2038	12,640,408	-	1,391,389	-	740,572	11,989,591
2039	11,989,591	-	1,363,914	-	701,073	11,326,750
2040	11,326,750	-	1,332,377	-	660,955	10,655,328
2041	10,655,328	-	1,296,630	-	620,435	9,979,133
2042	9,979,133	-	1,256,772	-	579,746	9,302,107
2043	9,302,107	-	1,212,886	-	539,131	8,628,352
2044	8,628,352	-	1,165,065	-	498,841	7,962,128
2045	7,962,128	-	1,113,467	-	459,134	7,307,795
2046	7,307,795	-	1,058,371	-	420,274	6,669,698
2047	6,669,698	-	1,000,192	-	382,515	6,052,021
2048	6,052,021	-	939,499	-	346,101	5,458,623
2049	5,458,623	-	876,979	-	311,248	4,892,892
2050	4,892,892	-	813,357	-	278,145	4,357,680
2051	4,357,680	-	749,350	-	246,946	3,855,276
2052	3,855,276	-	685,617	-	217,773	3,387,432
2053	3,387,432	-	622,760	-	190,715	2,955,387
2054	2,955,387	-	561,306	-	165,834	2,559,915
2055	2,559,915	-	501,775	-	143,160	2,201,300
2056	2,201,300	-	444,720	-	122,694	1,879,274
2057	1,879,274	-	390,653	-	104,405	1,593,026
2058	1,593,026	-	340,065	-	88,226	1,341,187
2059	1,341,187	-	293,344	-	74,060	1,121,903
2060	1,121,903	-	250,667	-	61,787	933,023
2061	933,023	-	212,051	-	51,274	772,246
2062	772,246	-	177,497	-	42,377	637,126
2063	637,126	-	146,927	-	34,947	525,146
2064	525,146	-	120,214	-	28,832	433,764
2065	433,764	-	97,182	-	23,881	360,463
2066	360,463	-	77,585	-	19,944	302,822
2067	302,822	-	61,119	-	16,880	258,583
2068	258,583	-	47,469	-	14,561	225,675
2069	225,675	-	36,335	-	12,865	202,205

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

Table 1  
Plan Assumptions: Discount Rate = 6.20%

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	202,205	-	27,399	-	11,687	186,493
2071	186,493	-	20,354	-	10,932	177,071
2072	177,071	-	14,899	-	10,517	172,689
2073	172,689	-	10,746	-	10,374	172,317
2074	172,317	-	7,636	-	10,447	175,128
2075	175,128	-	5,348	-	10,692	180,472
2076	180,472	-	3,697	-	11,075	187,850
2077	187,850	-	2,523	-	11,568	196,895
2078	196,895	-	1,697	-	12,155	207,353
2079	207,353	-	1,124	-	12,821	219,050
2080	219,050	-	732	-	13,558	231,876
2081	231,876	-	470	-	14,362	245,768
2082	245,768	-	298	-	15,228	260,698
2083	260,698	-	185	-	16,158	276,671
2084	276,671	-	111	-	17,150	293,710
2085	293,710	-	65	-	18,208	311,853
2086	311,853	-	37	-	19,334	331,150
2087	331,150	-	21	-	20,531	351,660
2088	351,660	-	12	-	21,803	373,451
2089	373,451	-	6	-	23,154	396,599
2090	396,599	-	3	-	24,589	421,185
2091	421,185	-	2	-	26,113	447,296
2092	447,296	-	1	-	27,732	475,027
2093	475,027	-	-	-	29,452	504,479

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 6.20% 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 = 4.20%

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
2021	19,724,014	-	1,367,617	-	799,689	19,156,086
2022	19,156,086	-	1,377,999	-	775,618	18,553,705
2023	18,553,705	-	1,389,869	-	750,068	17,913,904
2024	17,913,904	-	1,400,951	-	722,964	17,235,917
2025	17,235,917	-	1,412,343	-	694,249	16,517,823
2026	16,517,823	-	1,422,395	-	663,878	15,759,306
2027	15,759,306	-	1,432,197	-	631,815	14,958,924
2028	14,958,924	-	1,454,646	-	597,727	14,102,005
2029	14,102,005	-	1,466,714	-	561,483	13,196,774
2030	13,196,774	-	1,471,024	-	523,373	12,249,123
2031	12,249,123	-	1,470,050	-	483,592	11,262,665
2032	11,262,665	-	1,469,269	-	442,177	10,235,573
2033	10,235,573	-	1,465,494	-	399,119	9,169,198
2034	9,169,198	-	1,458,433	-	354,479	8,065,244
2035	8,065,244	-	1,447,797	-	308,337	6,925,784
2036	6,925,784	-	1,433,311	-	260,783	5,753,256
2037	5,753,256	-	1,414,757	-	211,927	4,550,426
2038	4,550,426	-	1,391,389	-	161,899	3,320,936
2039	3,320,936	-	1,363,914	-	110,837	2,067,859
2040	2,067,859	-	1,332,377	-	58,870	794,352
2041	794,352	-	1,296,630	-	-	-

Number of Years Expected Benefit Payments Sustained: 20.61

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 4.20% 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, 2022

Valuation Date: 10/1/2021

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	6.20%	4.20%
Minimum Required Contribution (Fixed \$)	\$195,188	\$464,468
Expected Member Contribution	0	0
Expected State Money	98,720	98,720
Expected Sponsor Contribution (Fixed \$)	\$96,468	\$365,748

**ASSETS**

Actuarial Value <sup>1</sup>	18,283,065	18,283,065
Market Value <sup>1</sup>	19,724,014	19,724,014

**LIABILITIES**

Present Value of Benefits		
Active Members		
Retirement Benefits	0	0
Disability Benefits	0	0
Death Benefits	0	0
Vested Benefits	0	0
Refund of Contributions	0	0
Service Retirees	19,030,184	23,818,342
Beneficiaries	0	0
Disability Retirees	269,177	292,876
Terminated Vested	478,496	625,571
Share Plan Balances <sup>1</sup>	0	0
Total:	19,777,857	24,736,789
Present Value of Future Salaries	0	0
Present Value of Future Member Contributions	0	0
Total Normal Cost	0	0
Present Value of Future Normal Costs (Entry Age Normal)	0	0
Total Actuarial Accrued Liability (EAN) <sup>1</sup>	19,777,857	24,736,789
Unfunded Actuarial Accrued Liability (UAAL)	1,494,792	6,453,724



ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2022

Valuation Date: 10/1/2021

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	6.20%	4.20%
<b><u>PENSION COST</u></b>		
Normal Cost <sup>2</sup>	0	0
Administrative Expenses <sup>2</sup>	50,630	50,139
Payment Required To Amortize UAAL <sup>2</sup>	144,558	414,329
Minimum Required Contribution	\$195,188	\$464,468

<sup>1</sup> The asset values and liabilities include accumulated Share Plan Balances as of 9/30/2021.

<sup>2</sup> Contributions developed as of 10/1/2021 displayed above have been adjusted to account for assumed salary increase and interest components.