

CITY OF BARTOW
GENERAL EMPLOYEES' RETIREMENT PLAN

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

May 20, 2024

VIA EMAIL

Ms. Siera Feketa, Plan Administrator
Foster & Foster, Inc.
2503 Del Prado Blvd. S., Suite 502
Cape Coral, FL 33904

Re: City of Bartow General Employees' Retirement Plan
Section 112.664, Florida Statutes Compliance

Dear Siera:

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 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

	ACTUAL	HYPOTHETICAL	HYPOTHETICAL
Discount Rate:	7.00%	5.00%	9.00%
<u>Total Pension Liability</u>			
Service Cost	822,091	1,280,629	552,313
Interest	3,345,115	3,055,685	3,485,242
Change in Excess State Money	-	-	-
Change in Funding Standard Account	-	-	-
Share Plan Allocation	-	-	-
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	1,124,505	1,545,790	857,262
Changes of Assumptions	1,303,160	1,844,091	977,500
Contributions - Buy Back	147,010	147,010	147,010
Benefit Payments, Including Refunds of Employee Contributions	(2,506,264)	(2,506,264)	(2,506,264)
Net Change in Total Pension Liability	4,235,617	5,366,941	3,513,063
Total Pension Liability - Beginning	46,570,557	58,176,021	38,379,113
Total Pension Liability - Ending (a)	\$ 50,806,174	\$ 63,542,962	\$ 41,892,176
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	1,676,208	1,676,208	1,676,208
Contributions - State	-	-	-
Contributions - Employee	349,462	349,462	349,462
Contributions - Buy Back	147,010	147,010	147,010
Net Investment Income	2,856,621	2,856,621	2,856,621
Benefit Payments, Including Refunds of Employee Contributions	(2,506,264)	(2,506,264)	(2,506,264)
Administrative Expenses	(123,097)	(123,097)	(123,097)
Other	-	-	-
Net Change in Plan Fiduciary Net Position	2,399,940	2,399,940	2,399,940
Plan Fiduciary Net Position - Beginning	33,088,283	33,088,283	33,088,283
Plan Fiduciary Net Position - Ending (b)	\$ 35,488,223	\$ 35,488,223	\$ 35,488,223
Net Pension Liability - Ending (a) - (b)	\$ 15,317,951	\$ 28,054,739	\$ 6,403,953

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 7.00%

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	35,445,038	-	4,273,842	-	2,331,568	33,502,764
2024	33,502,764	-	2,930,443	-	2,242,628	32,814,949
2025	32,814,949	-	3,075,502	-	2,189,404	31,928,851
2026	31,928,851	-	3,194,832	-	2,123,200	30,857,219
2027	30,857,219	-	3,328,217	-	2,043,518	29,572,520
2028	29,572,520	-	3,405,443	-	1,950,886	28,117,963
2029	28,117,963	-	3,478,139	-	1,846,523	26,486,347
2030	26,486,347	-	3,575,988	-	1,728,885	24,639,244
2031	24,639,244	-	3,598,265	-	1,598,808	22,639,787
2032	22,639,787	-	3,617,934	-	1,458,157	20,480,010
2033	20,480,010	-	3,617,312	-	1,306,995	18,169,693
2034	18,169,693	-	3,598,476	-	1,145,932	15,717,149
2035	15,717,149	-	3,578,122	-	974,966	13,113,993
2036	13,113,993	-	3,546,297	-	793,859	10,361,555
2037	10,361,555	-	3,502,404	-	602,725	7,461,876
2038	7,461,876	-	3,443,888	-	401,795	4,419,783
2039	4,419,783	-	3,387,607	-	190,819	1,222,995
2040	1,222,995	-	3,333,299	-	-	-

*All DROP Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 17.37

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.00% 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 = 5.00%

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	35,445,038	-	4,273,842	-	1,665,406	32,836,602
2024	32,836,602	-	2,930,443	-	1,568,569	31,474,728
2025	31,474,728	-	3,075,502	-	1,496,849	29,896,075
2026	29,896,075	-	3,194,832	-	1,414,933	28,116,176
2027	28,116,176	-	3,328,217	-	1,322,603	26,110,562
2028	26,110,562	-	3,405,443	-	1,220,392	23,925,511
2029	23,925,511	-	3,478,139	-	1,109,322	21,556,694
2030	21,556,694	-	3,575,988	-	988,435	18,969,141
2031	18,969,141	-	3,598,265	-	858,500	16,229,376
2032	16,229,376	-	3,617,934	-	721,020	13,332,462
2033	13,332,462	-	3,617,312	-	576,190	10,291,340
2034	10,291,340	-	3,598,476	-	424,605	7,117,469
2035	7,117,469	-	3,578,122	-	266,420	3,805,767
2036	3,805,767	-	3,546,297	-	101,631	361,101
2037	361,101	-	3,502,404	-	-	-

*All DROP Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 14.10

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.00% 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 = 9.00%

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	35,445,038	-	4,273,842	-	2,997,731	34,168,927
2024	34,168,927	-	2,930,443	-	2,943,333	34,181,817
2025	34,181,817	-	3,075,502	-	2,937,966	34,044,281
2026	34,044,281	-	3,194,832	-	2,920,218	33,769,667
2027	33,769,667	-	3,328,217	-	2,889,500	33,330,950
2028	33,330,950	-	3,405,443	-	2,846,541	32,772,048
2029	32,772,048	-	3,478,139	-	2,792,968	32,086,877
2030	32,086,877	-	3,575,988	-	2,726,899	31,237,788
2031	31,237,788	-	3,598,265	-	2,649,479	30,289,002
2032	30,289,002	-	3,617,934	-	2,563,203	29,234,271
2033	29,234,271	-	3,617,312	-	2,468,305	28,085,264
2034	28,085,264	-	3,598,476	-	2,365,742	26,852,530
2035	26,852,530	-	3,578,122	-	2,255,712	25,530,120
2036	25,530,120	-	3,546,297	-	2,138,127	24,121,950
2037	24,121,950	-	3,502,404	-	2,013,367	22,632,913
2038	22,632,913	-	3,443,888	-	1,881,987	21,071,012
2039	21,071,012	-	3,387,607	-	1,743,949	19,427,354
2040	19,427,354	-	3,333,299	-	1,598,463	17,692,518
2041	17,692,518	-	3,246,459	-	1,446,236	15,892,295
2042	15,892,295	-	3,161,934	-	1,288,020	14,018,381
2043	14,018,381	-	3,085,923	-	1,122,788	12,055,246
2044	12,055,246	-	3,000,085	-	949,968	10,005,129
2045	10,005,129	-	2,922,113	-	768,967	7,851,983
2046	7,851,983	-	2,832,529	-	579,215	5,598,669
2047	5,598,669	-	2,722,879	-	381,351	3,257,141
2048	3,257,141	-	2,603,727	-	175,975	829,389
2049	829,389	-	2,491,681	-	-	-

*All DROP Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 26.33

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 9.00% 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:	7.00%	5.00%	9.00%
Minimum Required Contribution (Fixed \$)	\$2,857,006	\$4,147,597	\$1,779,997
Minimum Required Contribution (% of Payroll)	28.9%	41.9%	18.0%
Expected Member Contribution	410,002	406,041	413,964
Expected Sponsor Contribution (Fixed \$)	\$2,447,004	\$3,741,556	\$1,366,033
Expected Sponsor Contribution (% of Payroll)	24.9%	37.9%	14.0%

ASSETS

Actuarial Value ¹	39,336,261	39,336,261	39,336,261
Market Value ¹	35,445,038	35,445,038	35,445,038

LIABILITIES

Present Value of Benefits			
Actives			
Retirement Benefits	25,634,336	36,366,120	18,913,021
Disability Benefits	507,180	682,963	390,463
Death Benefits	176,018	229,798	138,162
Vested Benefits	1,149,243	2,160,852	652,136
Refund of Contributions	144,459	149,469	139,813
Service Retirees	18,835,384	22,346,349	16,229,900
DROP Retirees ¹	8,628,148	10,351,699	7,421,584
Beneficiaries	625,993	707,348	561,407
Disability Retirees	390,755	473,139	331,313
Terminated Vested	2,067,221	2,756,519	1,617,634
Total:	58,158,737	76,224,256	46,395,433
Present Value of Future Salaries	63,650,305	70,676,453	57,997,328
Present Value of Future Member Contributions	2,546,012	2,827,058	2,319,893
Total Normal Cost	875,324	1,388,497	578,042
Present Value of Future Normal Costs (Entry Age Normal)	5,581,991	9,964,688	3,315,507
Total Actuarial Accrued Liability (EAN) ¹	52,576,746	66,259,568	43,079,926
Unfunded Actuarial Accrued Liability (UAAL)	13,240,485	26,923,307	3,743,665

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:	7.00%	5.00%	9.00%
<u>PENSION COST</u>			
Normal Cost ²	949,356	1,491,381	632,988
Administrative Expenses ²	118,328	117,185	119,472
Payment Required To Amortize UAAL ²	<u>1,789,322</u>	<u>2,539,031</u>	<u>1,027,537</u>
Minimum Required Contribution	\$2,857,006	\$4,147,597	\$1,779,997

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.