

TOWN OF BELLEAIR
MUNICIPAL POLICE OFFICERS' RETIREMENT SYSTEM

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



June 19, 2024

VIA E-MAIL

Ms. Chrissy Stoker, Plan Administrator
Town of Belleair
Municipal Police Officers' Retirement System
2503 Del Prado Blvd. S. Suite 502
Cape Coral, FL 33904

Re: Town of Belleair Municipal Police Officers' Retirement System
Section 112.664, Florida Statutes Compliance

Dear Chrissy:

Please find enclosed the annual disclosures that satisfy the October 1, 2023 financial reporting requirements made under Section 112.664.

Our office submitted 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.

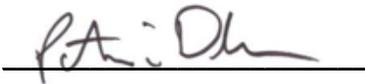
In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should 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: Stu Kaufman, 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:	7.10%	5.10%	9.10%
Total Pension Liability			
Service Cost	290,748	383,700	226,499
Interest	429,657	377,654	462,003
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	16,856	19,947	12,096
Changes of Assumptions	53,398	73,677	39,956
Benefit Payments, Including Refunds of Employee Contributions	(368,207)	(368,207)	(368,207)
Net Change in Total Pension Liability	422,452	486,771	372,347
Total Pension Liability - Beginning	5,860,819	7,062,979	4,979,379
Total Pension Liability - Ending (a)	\$ 6,283,271	\$ 7,549,750	\$ 5,351,726
Plan Fiduciary Net Position			
Contributions - Employer	237,811	237,811	237,811
Contributions - State	132,251	132,251	132,251
Contributions - Employee	83,798	83,798	83,798
Net Investment Income	485,697	485,697	485,697
Benefit Payments, Including Refunds of Employee Contributions	(368,207)	(368,207)	(368,207)
Administrative Expenses	(48,684)	(48,684)	(48,684)
Net Change in Plan Fiduciary Net Position	522,666	522,666	522,666
Plan Fiduciary Net Position - Beginning	4,472,555	4,472,555	4,472,555
Plan Fiduciary Net Position - Ending (b)	\$ 4,995,221	\$ 4,995,221	\$ 4,995,221
Net Pension Liability - Ending (a) - (b)	\$ 1,288,050	\$ 2,554,529	\$ 356,505

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 7.10%

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	4,939,965	-	416,009	-	335,969	4,859,925
2024	4,859,925	-	489,340	-	327,683	4,698,268
2025	4,698,268	-	512,152	-	315,396	4,501,512
2026	4,501,512	-	565,503	-	299,532	4,235,541
2027	4,235,541	-	562,552	-	280,753	3,953,742
2028	3,953,742	-	565,949	-	260,624	3,648,417
2029	3,648,417	-	549,731	-	239,522	3,338,208
2030	3,338,208	-	543,979	-	217,702	3,011,931
2031	3,011,931	-	542,285	-	194,596	2,664,242
2032	2,664,242	-	539,349	-	170,014	2,294,907
2033	2,294,907	-	530,235	-	144,115	1,908,787
2034	1,908,787	-	501,562	-	117,718	1,524,943
2035	1,524,943	-	486,603	-	90,997	1,129,337
2036	1,129,337	-	468,603	-	63,548	724,282
2037	724,282	-	468,355	-	34,797	290,724
2038	290,724	-	451,604	-	-	-

Number of Years Expected Benefit Payments Sustained: 15.64

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.10% 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 = 5.10%

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	4,939,965	-	416,009	-	241,330	4,765,286
2024	4,765,286	-	489,340	-	230,551	4,506,497
2025	4,506,497	-	512,152	-	216,771	4,211,116
2026	4,211,116	-	565,503	-	200,347	3,845,960
2027	3,845,960	-	562,552	-	181,799	3,465,207
2028	3,465,207	-	565,949	-	162,294	3,061,552
2029	3,061,552	-	549,731	-	142,121	2,653,942
2030	2,653,942	-	543,979	-	121,480	2,231,443
2031	2,231,443	-	542,285	-	99,975	1,789,133
2032	1,789,133	-	539,349	-	77,492	1,327,276
2033	1,327,276	-	530,235	-	54,170	851,211
2034	851,211	-	501,562	-	30,622	380,271
2035	380,271	-	486,603	-	-	-

Number of Years Expected Benefit Payments Sustained: 12.78

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.10% 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 = 9.10%

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	4,939,965	-	416,009	-	430,608	4,954,564
2024	4,954,564	-	489,340	-	428,600	4,893,824
2025	4,893,824	-	512,152	-	422,035	4,803,707
2026	4,803,707	-	565,503	-	411,407	4,649,611
2027	4,649,611	-	562,552	-	397,518	4,484,577
2028	4,484,577	-	565,949	-	382,346	4,300,974
2029	4,300,974	-	549,731	-	366,376	4,117,619
2030	4,117,619	-	543,979	-	349,952	3,923,592
2031	3,923,592	-	542,285	-	332,373	3,713,680
2032	3,713,680	-	539,349	-	313,405	3,487,736
2033	3,487,736	-	530,235	-	293,258	3,250,759
2034	3,250,759	-	501,562	-	272,998	3,022,195
2035	3,022,195	-	486,603	-	252,879	2,788,471
2036	2,788,471	-	468,603	-	232,429	2,552,297
2037	2,552,297	-	468,355	-	210,949	2,294,891
2038	2,294,891	-	451,604	-	188,287	2,031,574
2039	2,031,574	-	434,595	-	165,099	1,762,078
2040	1,762,078	-	416,599	-	141,394	1,486,873
2041	1,486,873	-	396,797	-	117,251	1,207,327
2042	1,207,327	-	377,185	-	92,705	922,847
2043	922,847	-	357,874	-	67,696	632,669
2044	632,669	-	338,375	-	42,177	336,471
2045	336,471	-	318,703	-	16,118	33,886
2046	33,886	-	298,997	-	-	-

Number of Years Expected Benefit Payments Sustained: 23.11

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 9.10% 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:	7.10%	5.10%	9.10%
Minimum Required Contribution (Fixed \$)	\$531,313	\$708,311	\$382,018
Minimum Required Contribution (% of Payroll)	36.7%	48.8%	26.3%
Expected Member Contribution	120,256	119,095	121,417
Expected State Money	72,373	72,373	72,373
Expected Sponsor Contribution (Fixed \$)	\$338,684	\$516,843	\$188,228
Expected Sponsor Contribution (% of Payroll)	23.4%	35.5%	13.0%

ASSETS

Actuarial Value ¹	5,554,382	5,554,382	5,554,382
Market Value ¹	4,939,965	4,939,965	4,939,965

LIABILITIES

Present Value of Benefits			
Actives			
Retirement Benefits	3,680,843	4,829,002	2,899,555
Disability Benefits	123,757	153,309	102,036
Death Benefits	18,605	22,419	15,638
Vested Benefits	37,436	60,423	24,066
Refund of Contributions	46,859	50,133	43,957
Service Retirees	3,675,390	4,329,102	3,182,828
Beneficiaries	0	0	0
Disability Retirees	0	0	0
Terminated Vested	231,372	286,256	194,170
Share Plan Balances ¹	0	0	0
Total:	<u>7,814,262</u>	<u>9,730,644</u>	<u>6,462,250</u>
Present Value of Future Salaries	5,408,192	5,744,544	5,113,439
Present Value of Future Member Contributions	432,655	459,564	409,075
Total Normal Cost	351,292	465,725	272,278
Present Value of Future Normal Costs (Entry Age Normal)	1,325,079	1,903,590	956,517
Total Actuarial Accrued Liability (EAN) ¹	6,489,183	7,827,054	5,505,733
Unfunded Actuarial Accrued Liability (UAAL)	934,801	2,272,672	(48,649)

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:	7.10%	5.10%	9.10%
<u>PENSION COST</u>			
Normal Cost ²	385,625	506,305	301,775
Administrative Expenses ²	47,323	46,866	47,780
Payment Required To Amortize UAAL ²	<u>98,365</u>	<u>155,140</u>	<u>32,463</u>
Minimum Required Contribution	\$531,313	\$708,311	\$382,018

¹ The asset values and liabilities include accumulated Share 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.