

CITY OF GAINESVILLE
CONSOLIDATED POLICE OFFICERS' AND FIREFIGHTERS' RETIREMENT PLAN

SECTION 112.664, FLORIDA STATUTES COMPLIANCE

DETERMINED AS OF THE
OCTOBER 1, 2023 VALUATION DATE

October 3, 2024

VIA EMAIL

Board of Trustees
City of Gainesville
Consolidated Police Officers' and Firefighters' Retirement Plan
200 East University Avenue
Gainesville, FL 32601

Re: City of Gainesville Consolidated Police Officers' and Firefighters' Retirement Plan
Section 112.664, Florida Statutes Compliance

Dear Trustees:

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: 

Joseph L. Griffin, ASA, EA, MAAA
Enrolled Actuary #23-6938

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 GASB 67/68 results for the Base and DROP accounts only, which is consistent with the development of funding requirements under Florida Statute. 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>
Discount Rate:	7.75%	5.75%
<u>Total Pension Liability</u>		
Service Cost	4,780,020	7,688,534
Interest	24,778,517	23,425,955
Share Plan Allocation	816,182	816,182
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	4,142,248	5,347,640
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(20,671,684)	(20,671,684)
Net Change in Total Pension Liability	13,845,283	16,606,627
Total Pension Liability - Beginning	325,278,628	410,055,217
Total Pension Liability - Ending (a)	<u>\$ 339,123,911</u>	<u>\$ 426,661,844</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	2,204,746	2,204,746
Contributions - State	1,955,462	1,955,462
Contributions - Employee	2,552,294	2,552,294
Net Investment Income	39,167,792	39,167,792
Benefit Payments, Including Refunds of Employee Contributions	(20,671,684)	(20,671,684)
Administrative Expenses	(692,008)	(692,008)
Other	1	1
Net Change in Plan Fiduciary Net Position	24,516,603	24,516,603
Plan Fiduciary Net Position - Beginning	277,850,350	277,850,350
Plan Fiduciary Net Position - Ending (b)	<u>\$ 302,366,953</u>	<u>\$ 302,366,953</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 36,756,958</u>	<u>\$ 124,294,891</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 7.75%

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	302,366,954	-	27,435,412	-	22,370,317	297,301,859
2024	297,301,859	-	21,544,346	-	22,206,051	297,963,564
2025	297,963,564	-	22,164,368	-	22,233,307	298,032,503
2026	298,032,503	-	22,658,633	-	22,219,497	297,593,367
2027	297,593,367	-	23,583,195	-	22,149,637	296,159,809
2028	296,159,809	-	24,438,574	-	22,005,390	293,726,625
2029	293,726,625	-	25,083,297	-	21,791,836	290,435,164
2030	290,435,164	-	25,524,841	-	21,519,638	286,429,961
2031	286,429,961	-	26,054,036	-	21,188,728	281,564,653
2032	281,564,653	-	26,388,927	-	20,798,690	275,974,416
2033	275,974,416	-	26,721,968	-	20,352,541	269,604,989
2034	269,604,989	-	26,951,600	-	19,850,012	262,503,401
2035	262,503,401	-	27,257,002	-	19,287,805	254,534,204
2036	254,534,204	-	27,314,146	-	18,667,978	245,888,036
2037	245,888,036	-	27,218,193	-	18,001,618	236,671,461
2038	236,671,461	-	27,168,467	-	17,289,260	226,792,254
2039	226,792,254	-	27,043,195	-	16,528,476	216,277,535
2040	216,277,535	-	27,003,381	-	15,715,128	204,989,282
2041	204,989,282	-	26,873,068	-	14,845,338	192,961,552
2042	192,961,552	-	26,588,847	-	13,924,202	180,296,907
2043	180,296,907	-	26,342,953	-	12,952,221	166,906,175
2044	166,906,175	-	26,014,430	-	11,927,169	152,818,914
2045	152,818,914	-	25,613,594	-	10,850,939	138,056,259
2046	138,056,259	-	25,152,961	-	9,724,683	122,627,981
2047	122,627,981	-	24,651,421	-	8,548,426	106,524,986
2048	106,524,986	-	24,098,712	-	7,321,861	89,748,135
2049	89,748,135	-	23,504,170	-	6,044,694	72,288,659
2050	72,288,659	-	22,867,081	-	4,716,272	54,137,850
2051	54,137,850	-	22,195,432	-	3,335,610	35,278,028
2052	35,278,028	-	21,489,492	-	1,901,329	15,689,865
2053	15,689,865	-	20,746,621	-	-	-

*All DROP and Share Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 30.76

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.75% 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 = 5.75%

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	302,366,954	-	27,435,412	-	16,597,332	291,528,874
2024	291,528,874	-	21,544,346	-	16,143,510	286,128,038
2025	286,128,038	-	22,164,368	-	15,815,137	279,778,807
2026	279,778,807	-	22,658,633	-	15,435,846	272,556,020
2027	272,556,020	-	23,583,195	-	14,993,954	263,966,779
2028	263,966,779	-	24,438,574	-	14,475,481	254,003,686
2029	254,003,686	-	25,083,297	-	13,884,067	242,804,456
2030	242,804,456	-	25,524,841	-	13,227,417	230,507,032
2031	230,507,032	-	26,054,036	-	12,505,101	216,958,097
2032	216,958,097	-	26,388,927	-	11,716,409	202,285,579
2033	202,285,579	-	26,721,968	-	10,863,164	186,426,775
2034	186,426,775	-	26,951,600	-	9,944,681	169,419,856
2035	169,419,856	-	27,257,002	-	8,958,003	151,120,857
2036	151,120,857	-	27,314,146	-	7,904,168	131,710,879
2037	131,710,879	-	27,218,193	-	6,790,852	111,283,538
2038	111,283,538	-	27,168,467	-	5,617,710	89,732,781
2039	89,732,781	-	27,043,195	-	4,382,143	67,071,729
2040	67,071,729	-	27,003,381	-	3,080,277	43,148,625
2041	43,148,625	-	26,873,068	-	1,708,445	17,984,002
2042	17,984,002	-	26,588,847	-	-	-

*All DROP and Share Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 19.68

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.75% 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
Investment Rate of Return:	7.75%	5.75%
Minimum Required Contribution (Fixed \$)	\$5,910,157	\$13,969,228
Minimum Required Contribution (% of Payroll)	20.06%	47.40%
Expected Member Contribution	2,413,879	2,413,879
Expected State Money	1,139,280	1,139,280
Expected Sponsor Contribution (Fixed \$)	\$2,356,998	\$10,416,069
Expected Sponsor Contribution (% of Payroll)	8.00%	35.34%

ASSETS

Actuarial Value ¹	337,299,611	337,299,611
Market Value ¹	302,366,954	302,366,954

LIABILITIES

Present Value of Benefits		
Actives		
Retirement Benefits	126,677,478	191,508,230
Disability Benefits	5,774,888	8,135,300
Death Benefits	685,900	1,049,300
Vested Benefits	380,793	673,960
Refund of Contributions	710,332	750,161
Service Retirees	207,070,819	252,998,673
DROP Retirees ¹	21,159,092	26,388,663
Beneficiaries	9,569,462	11,151,778
Disability Retirees	4,559,911	5,406,501
Terminated Vested	2,623,606	3,623,637
Share Plan Balances ¹	3,061,743	3,061,743
Total:	382,274,024	504,747,946
Present Value of Future Salaries	240,004,893	269,761,808
Present Value of Future Member Contributions	19,707,848	22,159,856
Total Normal Cost	4,912,801	7,909,639
Present Value of Future Normal Costs (Entry Age Normal)	40,865,842	74,302,202
Total Actuarial Accrued Liability (EAN) ¹	341,408,182	430,445,744
Unfunded Actuarial Accrued Liability (UAAL)	4,108,571	93,146,133

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2025

Valuation Date: 10/1/2023

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Investment Rate of Return:	7.75%	5.75%
<u>PENSION COST</u>		
Normal Cost (with interest)	5,256,267	8,381,152
Administrative Expenses (with interest)	356,434	356,434
Payment Required To Amortize UAAL (with interest)	<u>297,456</u>	<u>5,231,642</u>
Minimum Required Contribution	\$5,910,157	\$13,969,228

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