

CITY OF PORT ST. LUCIE  
MUNICIPAL POLICE OFFICERS' RETIREMENT TRUST FUND

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



June 12, 2024

VIA E-MAIL

Board of Trustees  
c/o Ms. Sandy Steele, Plan Administrator  
City of Port St. Lucie  
Police Officers' Retirement Trust Fund  
121 SW Port St. Lucie Blvd.  
Port St. Lucie, FL 34984

Re: City of Port St. Lucie Police Officers' Retirement Trust Fund  
Section 112.664, Florida Statutes Compliance

Dear Sandy:

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>
Discount Rate:	7.00%	5.00%
<u>Total Pension Liability</u>		
Service Cost	5,275,995	8,469,170
Interest	12,075,170	11,192,369
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	3,058,814	4,363,486
Changes of Assumptions	-	-
Contributions - Buy Back	237,479	237,479
Benefit Payments, Including Refunds of Employee Contributions	(7,326,872)	(7,326,872)
Net Change in Total Pension Liability	13,320,586	16,935,632
Total Pension Liability - Beginning	170,889,873	219,041,651
Total Pension Liability - Ending (a)	<u>\$ 184,210,459</u>	<u>\$ 235,977,283</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	4,812,349	4,812,349
Contributions - State	2,256,083	2,256,083
Contributions - Employee	2,255,232	2,255,232
Contributions - Buy Back	237,479	237,479
Net Investment Income	15,238,666	15,238,666
Benefit Payments, Including Refunds of Employee Contributions	(7,326,872)	(7,326,872)
Administrative Expenses	(272,877)	(272,877)
Net Change in Plan Fiduciary Net Position	17,200,060	17,200,060
Plan Fiduciary Net Position - Beginning	137,830,968	137,830,968
Plan Fiduciary Net Position - Ending (b)	<u>\$ 155,031,028</u>	<u>\$ 155,031,028</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 29,179,431</u>	<u>\$ 80,946,255</u>

## 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	153,484,786	-	11,276,668	-	10,349,252	152,557,370
2024	152,557,370	-	8,947,574	-	10,365,851	153,975,647
2025	153,975,647	-	9,418,657	-	10,448,642	155,005,632
2026	155,005,632	-	10,070,637	-	10,497,922	155,432,917
2027	155,432,917	-	10,603,503	-	10,509,182	155,338,596
2028	155,338,596	-	11,099,419	-	10,485,222	154,724,399
2029	154,724,399	-	11,603,250	-	10,424,594	153,545,743
2030	153,545,743	-	12,100,726	-	10,324,677	151,769,694
2031	151,769,694	-	12,553,438	-	10,184,508	149,400,764
2032	149,400,764	-	12,900,767	-	10,006,527	146,506,524
2033	146,506,524	-	13,154,479	-	9,795,050	143,147,095
2034	143,147,095	-	13,319,102	-	9,554,128	139,382,121
2035	139,382,121	-	13,463,939	-	9,285,511	135,203,693
2036	135,203,693	-	13,568,789	-	8,989,351	130,624,255
2037	130,624,255	-	13,572,513	-	8,668,660	125,720,402
2038	125,720,402	-	13,531,418	-	8,326,829	120,515,813
2039	120,515,813	-	13,515,042	-	7,963,080	114,963,851
2040	114,963,851	-	13,424,656	-	7,577,607	109,116,802
2041	109,116,802	-	13,346,133	-	7,171,061	102,941,730
2042	102,941,730	-	13,240,841	-	6,742,492	96,443,381
2043	96,443,381	-	13,085,039	-	6,293,060	89,651,402
2044	89,651,402	-	12,930,754	-	5,823,022	82,543,670
2045	82,543,670	-	12,756,540	-	5,331,578	75,118,708
2046	75,118,708	-	12,546,078	-	4,819,197	67,391,827
2047	67,391,827	-	12,303,063	-	4,286,821	59,375,585
2048	59,375,585	-	12,027,467	-	3,735,330	51,083,448
2049	51,083,448	-	11,726,692	-	3,165,407	42,522,163
2050	42,522,163	-	11,386,197	-	2,578,035	33,714,001
2051	33,714,001	-	11,023,179	-	1,974,169	24,664,991
2052	24,664,991	-	10,634,558	-	1,354,340	15,384,773
2053	15,384,773	-	10,225,920	-	719,027	5,877,880
2054	5,877,880	-	9,797,353	-	-	-

\*All DROP Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 31.60

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	153,484,786	-	11,276,668	-	7,392,323	149,600,441
2024	149,600,441	-	8,947,574	-	7,256,333	147,909,200
2025	147,909,200	-	9,418,657	-	7,159,994	145,650,537
2026	145,650,537	-	10,070,637	-	7,030,761	142,610,661
2027	142,610,661	-	10,603,503	-	6,865,445	138,872,603
2028	138,872,603	-	11,099,419	-	6,666,145	134,439,329
2029	134,439,329	-	11,603,250	-	6,431,885	129,267,964
2030	129,267,964	-	12,100,726	-	6,160,880	123,328,118
2031	123,328,118	-	12,553,438	-	5,852,570	116,627,250
2032	116,627,250	-	12,900,767	-	5,508,843	109,235,326
2033	109,235,326	-	13,154,479	-	5,132,904	101,213,751
2034	101,213,751	-	13,319,102	-	4,727,710	92,622,359
2035	92,622,359	-	13,463,939	-	4,294,519	83,452,939
2036	83,452,939	-	13,568,789	-	3,833,427	73,717,577
2037	73,717,577	-	13,572,513	-	3,346,566	63,491,630
2038	63,491,630	-	13,531,418	-	2,836,296	52,796,508
2039	52,796,508	-	13,515,042	-	2,301,949	41,583,415
2040	41,583,415	-	13,424,656	-	1,743,554	29,902,313
2041	29,902,313	-	13,346,133	-	1,161,462	17,717,642
2042	17,717,642	-	13,240,841	-	554,861	5,031,662
2043	5,031,662	-	13,085,039	-	-	-

\*All DROP Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 20.38

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.**

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:	7.00%	5.00%
Minimum Required Contribution (Fixed \$)	\$12,019,991	\$19,424,587
Minimum Required Contribution (% of Payroll)	42.29%	68.35%
Expected Member Contribution	2,641,505	2,615,983
Expected State Money	2,256,083	2,256,083
Expected Sponsor Contribution (Fixed \$)	\$7,122,403	\$14,552,521
Expected Sponsor Contribution (% of Payroll)	24.78%	50.84%

**ASSETS**

Actuarial Value <sup>1</sup>	162,738,263	162,738,263
Market Value <sup>1</sup>	153,484,786	153,484,786

**LIABILITIES**

Present Value of Benefits		
Actives		
Retirement Benefits	136,278,032	211,120,603
Disability Benefits	1,988,370	2,886,381
Death Benefits	672,922	914,794
Vested Benefits	12,725,239	21,221,501
Refund of Contributions	601,753	623,411
Service Retirees	66,948,673	81,909,900
DROP Retirees <sup>1</sup>	24,677,695	30,269,974
Beneficiaries	1,939,087	2,279,173
Disability Retirees	2,960,083	3,591,630
Terminated Vested	1,856,975	2,669,424
Share Plan Balances <sup>1</sup>	0	0
Total:	<u>250,648,829</u>	<u>357,486,791</u>
Present Value of Future Salaries	261,302,443	302,661,151
Present Value of Future Member Contributions	23,464,959	27,178,971
Total Normal Cost	5,909,583	9,580,106
Present Value of Future Normal Costs (Entry Age Normal)	56,190,990	107,161,896
Total Actuarial Accrued Liability (EAN) <sup>1</sup>	194,457,839	250,324,895
Unfunded Actuarial Accrued Liability (UAAL)	31,719,576	87,586,632

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

Valuation Date: 10/1/2023

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	7.00%	5.00%
<b><u>PENSION COST</u></b>		
Normal Cost <sup>2</sup>	6,574,538	10,555,097
Administrative Expenses <sup>2</sup>	310,066	307,071
Payment Required To Amortize UAAL <sup>2</sup>	5,135,387	8,562,419
Minimum Required Contribution	\$12,019,991	\$19,424,587

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

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