

CITY OF BARTOW
MUNICIPAL POLICE OFFICERS' RETIREMENT TRUST FUND

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2022 VALUATION DATE



June 23, 2023

VIA E-MAIL

Ms. Siera Feketa, Plan Administrator
City of Bartow
Municipal Police Officers' Retirement Trust Fund
2503 Del Prado Blvd. S., Suite 502
Cape Coral, FL 33904

Re: City of Bartow Municipal Police Officers' Retirement Trust Fund
Section 112.664, Florida Statutes Compliance

Dear Siera:

Please find enclosed the annual disclosures that satisfy the October 1, 2022 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.

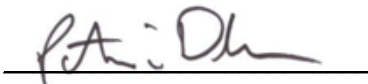
In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should 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: Ron Cohen, 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, 2022 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, 2022

	ACTUAL	HYPOTHETICAL	
Discount Rate:	7.50%	5.50%	9.50%
<u>Total Pension Liability</u>			
Service Cost	534,915	823,684	363,301
Interest	1,837,901	1,718,914	1,891,875
Change in Excess State Money	29,430	29,430	29,430
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	127,869	197,536	80,201
Changes of Assumptions	-	-	-
Contributions - Buy Back	9,749	9,749	9,749
Benefit Payments, Including Refunds of Employee Contributions	(1,493,357)	(1,493,357)	(1,493,357)
Net Change in Total Pension Liability	1,046,507	1,285,956	881,199
Total Pension Liability - Beginning	24,717,105	31,175,974	20,297,850
Total Pension Liability - Ending (a)	<u>\$ 25,763,612</u>	<u>\$ 32,461,930</u>	<u>\$ 21,179,049</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	821,077	821,077	821,077
Contributions - State	173,289	173,289	173,289
Contributions - Employee	99,592	99,592	99,592
Contributions - Buy Back	9,749	9,749	9,749
Net Investment Income	(4,783,300)	(4,783,300)	(4,783,300)
Benefit Payments, Including Refunds of Employee Contributions	(1,493,357)	(1,493,357)	(1,493,357)
Administrative Expenses	(108,218)	(108,218)	(108,218)
Net Change in Plan Fiduciary Net Position	(5,281,168)	(5,281,168)	(5,281,168)
Plan Fiduciary Net Position - Beginning	25,448,347	25,448,347	25,448,347
Plan Fiduciary Net Position - Ending (b)	<u>\$ 20,167,179</u>	<u>\$ 20,167,179</u>	<u>\$ 20,167,179</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 5,596,433</u>	<u>\$ 12,294,751</u>	<u>\$ 1,011,870</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 7.50%

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
2022	20,167,085	-	1,959,711	-	1,439,042	19,646,416
2023	19,646,416	-	1,756,387	-	1,407,617	19,297,646
2024	19,297,646	-	1,788,065	-	1,380,271	18,889,852
2025	18,889,852	-	1,813,341	-	1,348,739	18,425,250
2026	18,425,250	-	1,828,702	-	1,313,317	17,909,865
2027	17,909,865	-	1,855,975	-	1,273,641	17,327,531
2028	17,327,531	-	1,892,816	-	1,228,584	16,663,299
2029	16,663,299	-	1,908,173	-	1,178,191	15,933,317
2030	15,933,317	-	1,919,986	-	1,122,999	15,136,330
2031	15,136,330	-	1,952,876	-	1,061,992	14,245,446
2032	14,245,446	-	1,976,396	-	994,294	13,263,344
2033	13,263,344	-	2,000,785	-	919,721	12,182,280
2034	12,182,280	-	2,027,040	-	837,657	10,992,897
2035	10,992,897	-	2,036,184	-	748,110	9,704,823
2036	9,704,823	-	2,047,709	-	651,073	8,308,187
2037	8,308,187	-	2,050,519	-	546,220	6,803,888
2038	6,803,888	-	2,044,109	-	433,638	5,193,417
2039	5,193,417	-	2,031,891	-	313,310	3,474,836
2040	3,474,836	-	2,015,455	-	185,033	1,644,414
2041	1,644,414	-	1,989,806	-	-	-

*All DROP and Share Balances paid in 2022.

Number of Years Expected Benefit Payments Sustained: 19.83

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.50% 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 = 5.50%

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
2022	20,167,085	-	1,959,711	-	1,055,298	19,262,672
2023	19,262,672	-	1,756,387	-	1,011,146	18,517,431
2024	18,517,431	-	1,788,065	-	969,287	17,698,653
2025	17,698,653	-	1,813,341	-	923,559	16,808,871
2026	16,808,871	-	1,828,702	-	874,199	15,854,368
2027	15,854,368	-	1,855,975	-	820,951	14,819,344
2028	14,819,344	-	1,892,816	-	763,011	13,689,539
2029	13,689,539	-	1,908,173	-	700,450	12,481,816
2030	12,481,816	-	1,919,986	-	633,700	11,195,530
2031	11,195,530	-	1,952,876	-	562,050	9,804,704
2032	9,804,704	-	1,976,396	-	484,908	8,313,216
2033	8,313,216	-	2,000,785	-	402,205	6,714,636
2034	6,714,636	-	2,027,040	-	313,561	5,001,157
2035	5,001,157	-	2,036,184	-	219,069	3,184,042
2036	3,184,042	-	2,047,709	-	118,810	1,255,143
2037	1,255,143	-	2,050,519	-	-	-

*All DROP and Share Balances paid in 2022.

Number of Years Expected Benefit Payments Sustained: 15.61

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.50% 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 = 9.50%

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
2022	20,167,085	-	1,959,711	-	1,822,787	20,030,161
2023	20,030,161	-	1,756,387	-	1,819,437	20,093,211
2024	20,093,211	-	1,788,065	-	1,823,922	20,129,068
2025	20,129,068	-	1,813,341	-	1,826,128	20,141,855
2026	20,141,855	-	1,828,702	-	1,826,613	20,139,766
2027	20,139,766	-	1,855,975	-	1,825,119	20,108,910
2028	20,108,910	-	1,892,816	-	1,820,438	20,036,532
2029	20,036,532	-	1,908,173	-	1,812,832	19,941,191
2030	19,941,191	-	1,919,986	-	1,803,214	19,824,419
2031	19,824,419	-	1,952,876	-	1,790,558	19,662,101
2032	19,662,101	-	1,976,396	-	1,774,021	19,459,726
2033	19,459,726	-	2,000,785	-	1,753,637	19,212,578
2034	19,212,578	-	2,027,040	-	1,728,911	18,914,449
2035	18,914,449	-	2,036,184	-	1,700,154	18,578,419
2036	18,578,419	-	2,047,709	-	1,667,684	18,198,394
2037	18,198,394	-	2,050,519	-	1,631,448	17,779,323
2038	17,779,323	-	2,044,109	-	1,591,941	17,327,155
2039	17,327,155	-	2,031,891	-	1,549,565	16,844,829
2040	16,844,829	-	2,015,455	-	1,504,525	16,333,899
2041	16,333,899	-	1,989,806	-	1,457,205	15,801,298
2042	15,801,298	-	1,959,005	-	1,408,071	15,250,364
2043	15,250,364	-	1,920,953	-	1,357,539	14,686,950
2044	14,686,950	-	1,878,644	-	1,306,025	14,114,331
2045	14,114,331	-	1,835,198	-	1,253,690	13,532,823
2046	13,532,823	-	1,789,741	-	1,200,605	12,943,687
2047	12,943,687	-	1,742,075	-	1,146,902	12,348,514
2048	12,348,514	-	1,690,706	-	1,092,800	11,750,608
2049	11,750,608	-	1,638,002	-	1,038,503	11,151,109
2050	11,151,109	-	1,584,500	-	984,092	10,550,701
2051	10,550,701	-	1,530,642	-	929,611	9,949,670
2052	9,949,670	-	1,476,554	-	875,082	9,348,198
2053	9,348,198	-	1,421,978	-	820,535	8,746,755
2054	8,746,755	-	1,366,678	-	766,025	8,146,102
2055	8,146,102	-	1,311,024	-	711,606	7,546,684
2056	7,546,684	-	1,255,031	-	657,321	6,948,974
2057	6,948,974	-	1,198,497	-	603,224	6,353,701
2058	6,353,701	-	1,141,597	-	549,376	5,761,480
2059	5,761,480	-	1,083,895	-	495,856	5,173,441
2060	5,173,441	-	1,025,470	-	442,767	4,590,738
2061	4,590,738	-	966,531	-	390,210	4,014,417
2062	4,014,417	-	907,176	-	338,279	3,445,520
2063	3,445,520	-	847,553	-	287,066	2,885,033
2064	2,885,033	-	788,014	-	236,647	2,333,666
2065	2,333,666	-	728,958	-	187,073	1,791,781
2066	1,791,781	-	670,730	-	138,360	1,259,411
2067	1,259,411	-	613,794	-	90,489	736,106

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: Discount Rate = 9.50%

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
2068	736,106	-	558,668	-	43,393	220,831
2069	220,831	-	505,730	-	-	-

*All DROP and Share Balances paid in 2022.

Number of Years Expected Benefit Payments Sustained: 47.44

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 9.50% 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, 2024**

Valuation Date: 10/1/2022

Investment Rate of Return:	ACTUAL	HYPOTHETICAL	
	7.50%	5.50%	9.50%
Minimum Required Contribution (Fixed \$)	\$969,763	\$1,738,816	\$534,780
Minimum Required Contribution (% of Payroll)	38.4%	68.9%	21.2%
Expected Member Contribution	100,984	100,984	100,984
Expected State Money	143,859	143,859	143,859
Expected Sponsor Contribution (Fixed \$)	\$724,920	\$1,493,973	\$289,937
Expected Sponsor Contribution (% of Payroll)	28.7%	59.2%	11.5%

ASSETS

Actuarial Value ¹	24,200,502	24,200,502	24,200,502
Market Value ¹	20,167,085	20,167,085	20,167,085

LIABILITIES

Present Value of Benefits			
Active Members			
Retirement Benefits	7,377,332	11,634,986	4,958,663
Disability Benefits	826,349	1,180,418	608,332
Death Benefits	36,001	49,240	26,943
Vested Benefits	853,249	1,416,920	538,281
Refund of Contributions	53,237	55,004	51,589
Service Retirees	17,106,509	21,196,236	14,253,494
DROP Retirees ¹	1,331,285	1,701,836	1,087,862
Beneficiaries	1,254,086	1,484,189	1,083,145
Disability Retirees	1,101,383	1,355,163	923,040
Terminated Vested	582,612	757,776	469,094
Share Plan Balances ¹	108,227	108,227	108,227
Total:	30,630,270	40,939,995	24,108,670
Present Value of Future Salaries	19,062,697	21,311,027	17,232,089
Present Value of Future			
Member Contributions	762,508	852,441	689,284
Total Normal Cost	584,563	903,512	395,294
Present Value of Future			
Normal Costs (Entry Age Normal)	4,231,423	7,449,210	2,536,999
Total Actuarial Accrued Liability (EAN) ¹	26,398,847	33,490,785	21,571,671
Unfunded Actuarial Accrued	2,198,345	9,290,283	(2,628,831)
Liability (UAAL)			

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2024

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL	
Investment Rate of Return:	7.50%	5.50%	9.50%
<u>PENSION COST</u>			
Normal Cost (with interest)	606,484	928,359	414,070
Administrative Expenses (with interest)	119,557	118,405	120,710
Payment Required To Amortize UAAL (with interest)	243,722	692,052	(197,697)
Minimum Required Contribution	\$969,763	\$1,738,816	\$534,780 ²

¹ The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2022.

² Reflects normal cost minimum funding requirements of Chapter 112, Florida Statutes.