

CITY OF PUNTA GORDA
GENERAL EMPLOYEES' RETIREMENT SYSTEM

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



June 4, 2024

VIA E-MAIL

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

Re: City of Punta Gorda General Employees' 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 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.

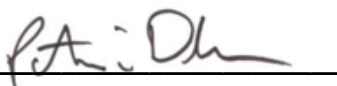
With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the 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
cc via email: Kristin Simeone, Finance Director

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>	<u>HYPOTHETICAL</u>
Discount Rate:	6.75%	4.75%	8.75%
<u>Total Pension Liability</u>			
Service Cost	515,390	842,053	325,391
Interest	3,879,862	3,383,538	4,166,318
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	176,385	417,493	4,416
Changes of Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(3,378,181)	(3,378,181)	(3,378,181)
Net Change in Total Pension Liability	1,193,456	1,264,903	1,117,944
Total Pension Liability - Beginning	58,653,139	72,079,423	48,978,765
Total Pension Liability - Ending (a)	<u>\$ 59,846,595</u>	<u>\$ 73,344,326</u>	<u>\$ 50,096,709</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	1,831,740	1,831,740	1,831,740
Contributions - Employee	249,093	249,093	249,093
Net Investment Income	4,171,307	4,171,307	4,171,307
Benefit Payments, Including Refunds of Employee Contributions	(3,378,181)	(3,378,181)	(3,378,181)
Administrative Expenses	(75,767)	(75,767)	(75,767)
Net Change in Plan Fiduciary Net Position	2,798,192	2,798,192	2,798,192
Plan Fiduciary Net Position - Beginning	47,989,028	47,989,028	47,989,028
Plan Fiduciary Net Position - Ending (b)	<u>\$ 50,787,220</u>	<u>\$ 50,787,220</u>	<u>\$ 50,787,220</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 9,059,375</u>	<u>\$ 22,557,106</u>	<u>\$ (690,511)</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 6.75%

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	50,787,220	-	5,384,644	-	3,246,406	48,648,982
2024	48,648,982	-	3,853,894	-	3,153,737	47,948,825
2025	47,948,825	-	3,944,929	-	3,103,404	47,107,300
2026	47,107,300	-	4,098,468	-	3,041,419	46,050,251
2027	46,050,251	-	4,187,110	-	2,967,077	44,830,218
2028	44,830,218	-	4,309,713	-	2,880,587	43,401,092
2029	43,401,092	-	4,448,912	-	2,779,423	41,731,603
2030	41,731,603	-	4,454,398	-	2,666,547	39,943,752
2031	39,943,752	-	4,466,225	-	2,545,468	38,022,995
2032	38,022,995	-	4,439,360	-	2,416,724	36,000,359
2033	36,000,359	-	4,403,561	-	2,281,404	33,878,202
2034	33,878,202	-	4,411,821	-	2,137,880	31,604,261
2035	31,604,261	-	4,340,975	-	1,986,780	29,250,066
2036	29,250,066	-	4,242,618	-	1,831,191	26,838,639
2037	26,838,639	-	4,142,849	-	1,671,787	24,367,577
2038	24,367,577	-	4,029,485	-	1,508,816	21,846,908
2039	21,846,908	-	3,931,120	-	1,341,991	19,257,779
2040	19,257,779	-	3,804,733	-	1,171,490	16,624,536
2041	16,624,536	-	3,677,172	-	998,052	13,945,416
2042	13,945,416	-	3,539,848	-	821,846	11,227,414
2043	11,227,414	-	3,391,507	-	643,387	8,479,294
2044	8,479,294	-	3,242,070	-	462,932	5,700,156
2045	5,700,156	-	3,097,811	-	280,209	2,882,554
2046	2,882,554	-	2,961,749	-	-	-

*All DROP Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 23.97

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 6.75% 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 = 4.75%

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	50,787,220	-	5,384,644	-	2,284,508	47,687,084
2024	47,687,084	-	3,853,894	-	2,173,607	46,006,797
2025	46,006,797	-	3,944,929	-	2,091,631	44,153,499
2026	44,153,499	-	4,098,468	-	1,999,953	42,054,984
2027	42,054,984	-	4,187,110	-	1,898,168	39,766,042
2028	39,766,042	-	4,309,713	-	1,786,531	37,242,860
2029	37,242,860	-	4,448,912	-	1,663,374	34,457,322
2030	34,457,322	-	4,454,398	-	1,530,931	31,533,855
2031	31,533,855	-	4,466,225	-	1,391,785	28,459,415
2032	28,459,415	-	4,439,360	-	1,246,387	25,266,442
2033	25,266,442	-	4,403,561	-	1,095,571	21,958,452
2034	21,958,452	-	4,411,821	-	938,246	18,484,877
2035	18,484,877	-	4,340,975	-	774,934	14,918,836
2036	14,918,836	-	4,242,618	-	607,883	11,284,101
2037	11,284,101	-	4,142,849	-	437,602	7,578,854
2038	7,578,854	-	4,029,485	-	264,295	3,813,664
2039	3,813,664	-	3,931,120	-	-	-

*All DROP Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 16.97

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 4.75% 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 3
Hypothetical Assumptions: Discount Rate = 8.75%

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	50,787,220	-	5,384,644	-	4,208,304	49,610,880
2024	49,610,880	-	3,853,894	-	4,172,344	49,929,330
2025	49,929,330	-	3,944,929	-	4,196,226	50,180,627
2026	50,180,627	-	4,098,468	-	4,211,497	50,293,656
2027	50,293,656	-	4,187,110	-	4,217,509	50,324,055
2028	50,324,055	-	4,309,713	-	4,214,805	50,229,147
2029	50,229,147	-	4,448,912	-	4,200,410	49,980,645
2030	49,980,645	-	4,454,398	-	4,178,427	49,704,674
2031	49,704,674	-	4,466,225	-	4,153,762	49,392,211
2032	49,392,211	-	4,439,360	-	4,127,596	49,080,447
2033	49,080,447	-	4,403,561	-	4,101,883	48,778,769
2034	48,778,769	-	4,411,821	-	4,075,125	48,442,073
2035	48,442,073	-	4,340,975	-	4,048,764	48,149,862
2036	48,149,862	-	4,242,618	-	4,027,498	47,934,742
2037	47,934,742	-	4,142,849	-	4,013,040	47,804,933
2038	47,804,933	-	4,029,485	-	4,006,642	47,782,090
2039	47,782,090	-	3,931,120	-	4,008,946	47,859,916
2040	47,859,916	-	3,804,733	-	4,021,286	48,076,469
2041	48,076,469	-	3,677,172	-	4,045,815	48,445,112
2042	48,445,112	-	3,539,848	-	4,084,079	48,989,343
2043	48,989,343	-	3,391,507	-	4,138,189	49,736,025
2044	49,736,025	-	3,242,070	-	4,210,062	50,704,017
2045	50,704,017	-	3,097,811	-	4,301,072	51,907,278
2046	51,907,278	-	2,961,749	-	4,412,310	53,357,839
2047	53,357,839	-	2,808,672	-	4,545,932	55,095,099
2048	55,095,099	-	2,645,581	-	4,705,077	57,154,595
2049	57,154,595	-	2,480,495	-	4,892,505	59,566,605
2050	59,566,605	-	2,317,799	-	5,110,674	62,359,480
2051	62,359,480	-	2,156,061	-	5,362,127	65,565,546
2052	65,565,546	-	1,997,332	-	5,649,602	69,217,816
2053	69,217,816	-	1,842,411	-	5,975,953	73,351,358
2054	73,351,358	-	1,691,404	-	6,344,245	78,004,199
2055	78,004,199	-	1,545,116	-	6,757,769	83,216,852
2056	83,216,852	-	1,403,569	-	7,220,068	89,033,351
2057	89,033,351	-	1,269,542	-	7,734,876	95,498,685
2058	95,498,685	-	1,143,284	-	8,306,116	102,661,517
2059	102,661,517	-	1,024,613	-	8,938,056	110,574,960
2060	110,574,960	-	914,017	-	9,635,321	119,296,264
2061	119,296,264	-	811,730	-	10,402,910	128,887,444
2062	128,887,444	-	717,813	-	11,246,247	139,415,878
2063	139,415,878	-	632,169	-	12,171,232	150,954,941
2064	150,954,941	-	554,566	-	13,184,295	163,584,670
2065	163,584,670	-	484,652	-	14,292,455	177,392,473
2066	177,392,473	-	422,022	-	15,503,378	192,473,829
2067	192,473,829	-	366,243	-	16,825,437	208,933,023
2068	208,933,023	-	316,847	-	18,267,777	226,883,953
2069	226,883,953	-	273,333	-	19,840,388	246,451,008
2070	246,451,008	-	235,139	-	21,554,176	267,770,045
2071	267,770,045	-	201,722	-	23,421,054	290,989,377
2072	290,989,377	-	172,587	-	25,454,020	316,270,810
2073	316,270,810	-	147,266	-	27,667,253	343,790,797
2074	343,790,797	-	125,316	-	30,076,212	373,741,693

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: Discount Rate = 8.75%

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
2075	373,741,693	-	106,305	-	32,697,747	406,333,135
2076	406,333,135	-	89,833	-	35,550,219	441,793,521
2077	441,793,521	-	75,570	-	38,653,627	480,371,578
2078	480,371,578	-	63,229	-	42,029,747	522,338,096
2079	522,338,096	-	52,573	-	45,702,283	567,987,806
2080	567,987,806	-	43,392	-	49,697,035	617,641,449
2081	617,641,449	-	35,506	-	54,042,073	671,648,016
2082	671,648,016	-	28,766	-	58,767,943	730,387,193
2083	730,387,193	-	23,040	-	63,907,871	794,272,024
2084	794,272,024	-	18,220	-	69,498,005	863,751,809
2085	863,751,809	-	14,208	-	75,577,662	939,315,263
2086	939,315,263	-	10,911	-	82,189,608	1,021,493,960
2087	1,021,493,960	-	8,239	-	89,380,361	1,110,866,082
2088	1,110,866,082	-	6,109	-	97,200,515	1,208,060,488
2089	1,208,060,488	-	4,442	-	105,705,098	1,313,761,144
2090	1,313,761,144	-	3,163	-	114,953,962	1,428,711,943
2091	1,428,711,943	-	2,202	-	125,012,199	1,553,721,940
2092	1,553,721,940	-	1,498	-	135,950,604	1,689,671,046
2093	1,689,671,046	-	994	-	147,846,173	1,837,516,225
2094	1,837,516,225	-	642	-	160,782,642	1,998,298,225
2095	1,998,298,225	-	403	-	174,851,077	2,173,148,899
2096	2,173,148,899	-	246	-	190,150,518	2,363,299,171
2097	2,363,299,171	-	146	-	206,788,671	2,570,087,696
2098	2,570,087,696	-	84	-	224,882,670	2,794,970,282
2099	2,794,970,282	-	47	-	244,559,898	3,039,530,133
2100	3,039,530,133	-	25	-	265,958,886	3,305,488,994
2101	3,305,488,994	-	13	-	289,230,286	3,594,719,267
2102	3,594,719,267	-	7	-	314,537,936	3,909,257,196
2103	3,909,257,196	-	4	-	342,060,004	4,251,317,196
2104	4,251,317,196	-	2	-	371,990,255	4,623,307,449
2105	4,623,307,449	-	1	-	404,539,402	5,027,846,850
2106	5,027,846,850	-	-	-	439,936,599	5,467,783,449

*All DROP Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 999.99

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 8.75% 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

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>	<u>HYPOTHETICAL</u>
Investment Rate of Return:	6.75%	4.75%	8.75%
Minimum Required Contribution (Fixed \$)	\$1,195,313	\$2,273,669	\$277,236
Minimum Required Contribution (% of Payroll)	39.8%	75.7%	9.2%
Expected Member Contribution	243,062	243,062	243,062
Expected Sponsor Contribution (Fixed \$)	\$952,251	\$2,030,607	\$34,174
Expected Sponsor Contribution (% of Payroll)	31.7%	67.6%	1.1%

ASSETS

Actuarial Value ¹	54,686,122	54,686,122	54,686,122
Market Value ¹	50,787,220	50,787,220	50,787,220

LIABILITIES

Present Value of Benefits

Actives

Retirement Benefits	19,213,112	26,640,306	14,408,965
Disability Benefits	1,447,270	1,878,098	1,148,017
Death Benefits	157,797	193,506	130,737
Vested Benefits	956,699	1,411,343	678,552
Refund of Contributions	0	0	0
Service Retirees	30,462,299	36,129,132	26,229,877
DROP Retirees ¹	8,641,317	10,191,837	7,526,032
Beneficiaries	1,543,916	1,848,885	1,322,393
Disability Retirees	0	0	0
Terminated Vested	2,212,293	3,173,763	1,606,042
Total:	<u>64,634,703</u>	<u>81,466,870</u>	<u>53,050,615</u>

Present Value of Future Salaries	19,307,546	21,163,400	17,769,663
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Present Value of Future Member Contributions	1,563,911	1,714,235	1,439,343
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Total Normal Cost	457,261	771,270	277,236
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Present Value of Future Normal Costs (Entry Age Normal)	2,745,582	5,197,428	1,497,298
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Total Actuarial Accrued Liability (EAN) ¹	61,889,121	76,269,442	51,553,317
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Unfunded Actuarial Accrued Liability (UAAL)	7,202,999	21,583,320	(3,132,805)
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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:	6.75%	4.75%	8.75%
<u>PENSION COST</u>			
Normal Cost ²	457,261	771,270	277,236
Administrative Expenses ²	69,693	69,693	69,693
Payment Required To Amortize UAAL ²	<u>668,359</u>	<u>1,432,706</u>	<u>(134,408)</u>
Minimum Required Contribution	\$1,195,313	\$2,273,669	\$277,236 ³

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 components.

³ Reflects normal cost minimum funding requirements of Chapter 112, Florida Statutes.