

CITY OF EDGEWATER  
GENERAL EMPLOYEES' RETIREMENT PLAN

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



May 29, 2024

VIA E-MAIL

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

Re: City of Edgewater General Employees' Retirement Plan  
Section 112.664, Florida Statutes Compliance

Dear Siera:

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.

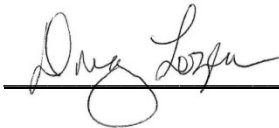
In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should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

	ACTUAL	HYPOTHETICAL	HYPOTHETICAL
Discount Rate:	6.25%	4.25%	8.25%
<u>Total Pension Liability</u>			
Service Cost	23,562	37,143	15,325
Interest	1,127,494	938,070	1,248,305
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	134,551	178,050	102,649
Changes of Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,537,079)	(1,537,079)	(1,537,079)
Net Change in Total Pension Liability	(251,472)	(383,816)	(170,800)
Total Pension Liability - Beginning	18,784,888	22,803,631	15,884,188
Total Pension Liability - Ending (a)	\$ 18,533,416	\$ 22,419,815	\$ 15,713,388
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	719,791	719,791	719,791
Contributions - Employee	3,033	3,033	3,033
Net Investment Income	772,193	772,193	772,193
Benefit Payments, Including Refunds of Employee Contributions	(1,537,079)	(1,537,079)	(1,537,079)
Administrative Expenses	(42,217)	(42,217)	(42,217)
Net Change in Plan Fiduciary Net Position	(84,279)	(84,279)	(84,279)
Plan Fiduciary Net Position - Beginning	11,233,197	11,233,197	11,233,197
Plan Fiduciary Net Position - Ending (b)	\$ 11,148,918	\$ 11,148,918	\$ 11,148,918
Net Pension Liability - Ending (a) - (b)	\$ 7,384,498	\$ 11,270,897	\$ 4,564,470

## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1  
Plan Assumptions: Discount Rate = 6.25%

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	11,148,918	-	1,565,766	-	647,877	10,231,029
2024	10,231,029	-	1,554,305	-	590,867	9,267,591
2025	9,267,591	-	1,564,760	-	530,326	8,233,157
2026	8,233,157	-	1,548,352	-	466,186	7,150,991
2027	7,150,991	-	1,530,313	-	399,115	6,019,793
2028	6,019,793	-	1,532,932	-	328,333	4,815,194
2029	4,815,194	-	1,510,649	-	253,742	3,558,287
2030	3,558,287	-	1,484,628	-	175,998	2,249,657
2031	2,249,657	-	1,457,691	-	95,051	887,017
2032	887,017	-	1,429,057	-	-	-

Number of Years Expected Benefit Payments Sustained: 9.62

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 6.25% 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 = 4.25%

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	11,148,918	-	1,565,766	-	440,556	10,023,708
2024	10,023,708	-	1,554,305	-	392,979	8,862,382
2025	8,862,382	-	1,564,760	-	343,400	7,641,022
2026	7,641,022	-	1,548,352	-	291,841	6,384,511
2027	6,384,511	-	1,530,313	-	238,823	5,093,021
2028	5,093,021	-	1,532,932	-	183,879	3,743,968
2029	3,743,968	-	1,510,649	-	127,017	2,360,336
2030	2,360,336	-	1,484,628	-	68,766	944,474
2031	944,474	-	1,457,691	-	-	-

Number of Years Expected Benefit Payments Sustained: 8.65

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 4.25% 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 = 8.25%

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	11,148,918	-	1,565,766	-	855,198	10,438,350
2024	10,438,350	-	1,554,305	-	797,049	9,681,094
2025	9,681,094	-	1,564,760	-	734,144	8,850,478
2026	8,850,478	-	1,548,352	-	666,295	7,968,421
2027	7,968,421	-	1,530,313	-	594,269	7,032,377
2028	7,032,377	-	1,532,932	-	516,938	6,016,383
2029	6,016,383	-	1,510,649	-	434,037	4,939,771
2030	4,939,771	-	1,484,628	-	346,290	3,801,433
2031	3,801,433	-	1,457,691	-	253,488	2,597,230
2032	2,597,230	-	1,429,057	-	155,323	1,323,496
2033	1,323,496	-	1,398,317	-	-	-

Number of Years Expected Benefit Payments Sustained: 10.95

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 8.25% 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	HYPOTHETICAL
Investment Rate of Return:	6.25%	4.25%	8.25%
Minimum Required Contribution (Fixed \$)	\$962,927	\$1,099,150	\$741,010
Minimum Required Contribution (% of Payroll)	733.7%	871.0%	587.2%
Expected Member Contribution	3,383	3,222	3,285
Expected Sponsor Contribution (Fixed \$)	\$959,544	\$1,095,928	\$737,725
Expected Sponsor Contribution (% of Payroll)	731.2%	868.5%	584.7%

**ASSETS**

Actuarial Value	12,350,096	12,350,096	12,350,096
Market Value	11,148,918	11,148,918	11,148,918

**LIABILITIES**

## Present Value of Benefits

## Actives

Retirement Benefits	699,967	940,456	540,109
Disability Benefits	31,159	38,626	25,762
Death Benefits	1,313	1,680	1,058
Vested Benefits	0	0	0
Refund of Contributions	0	0	0
Service Retirees	16,857,687	20,359,504	14,314,264
Beneficiaries	762,560	909,123	653,794
Disability Retirees	0	0	0
Terminated Vested	464,925	566,649	391,815
Total:	18,817,611	22,816,038	15,926,802

Present Value of Future Salaries	476,082	490,564	462,560
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Present Value of Future Member Contributions	11,902	12,264	11,564
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Total Normal Cost	25,721	40,541	16,727
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Present Value of Future Normal Costs (Entry Age Normal)	97,040	157,607	61,312
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Total Actuarial Accrued Liability (EAN)	18,720,571	22,658,431	15,865,490
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Unfunded Actuarial Accrued Liability (UAAL)	6,370,475	10,308,335	3,515,394
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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:	6.25%	4.25%	8.25%
<b><u>PENSION COST</u></b>			
Normal Cost <sup>1</sup>	27,586	43,059	18,114
Administrative Expenses <sup>1</sup>	51,274	50,777	51,771
Payment Required To Amortize UAAL <sup>1</sup>	<u>884,067</u>	<u>1,049,280</u>	<u>700,765</u>

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

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