

CITY OF TARPON SPRINGS
POLICE OFFICERS' PENSION PLAN

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



June 19, 2024

VIA E-MAIL

Ms. Alyssa Lemon, Plan Administrator
City of Tarpon Springs
Police Officers' Pension Plan
444 S. Huey Ave.
Tarpon Springs, FL 34689

Re: City of Tarpon Springs Police Officers' Pension Plan
Section 112.664, Florida Statutes Compliance

Dear Alyssa

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: Adam Levinson, Board Attorney
cc via email: Ron Haring, 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:	7.25%	5.25%	9.25%
<u>Total Pension Liability</u>			
Service Cost	799,251	1,239,842	546,156
Interest	2,700,657	2,524,223	2,778,143
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	22,732	268,237	(151,259)
Changes of Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(2,542,572)	(2,542,572)	(2,542,572)
Net Change in Total Pension Liability	980,068	1,489,730	630,468
Total Pension Liability - Beginning	37,722,474	48,111,876	30,759,106
Total Pension Liability - Ending (a)	<u>\$ 38,702,542</u>	<u>\$ 49,601,606</u>	<u>\$ 31,389,574</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	745,207	745,207	745,207
Contributions - State	354,936	354,936	354,936
Contributions - Employee	322,107	322,107	322,107
Net Investment Income	3,068,501	3,068,501	3,068,501
Benefit Payments, Including Refunds of Employee Contributions	(2,542,572)	(2,542,572)	(2,542,572)
Administrative Expenses	(73,098)	(73,098)	(73,098)
Net Change in Plan Fiduciary Net Position	1,875,081	1,875,081	1,875,081
Plan Fiduciary Net Position - Beginning	28,200,450	28,200,450	28,200,450
Plan Fiduciary Net Position - Ending (b)	<u>\$ 30,075,531</u>	<u>\$ 30,075,531</u>	<u>\$ 30,075,531</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 8,627,011</u>	<u>\$ 19,526,075</u>	<u>\$ 1,314,043</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 7.25%

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	29,955,999	-	2,760,078	-	2,071,757	29,267,678
2024	29,267,678	-	2,372,687	-	2,035,897	28,930,888
2025	28,930,888	-	2,464,249	-	2,008,160	28,474,799
2026	28,474,799	-	2,497,384	-	1,973,893	27,951,308
2027	27,951,308	-	2,520,646	-	1,935,096	27,365,758
2028	27,365,758	-	2,549,714	-	1,891,590	26,707,634
2029	26,707,634	-	2,580,262	-	1,842,769	25,970,141
2030	25,970,141	-	2,653,192	-	1,786,657	25,103,606
2031	25,103,606	-	2,679,983	-	1,722,862	24,146,485
2032	24,146,485	-	2,773,948	-	1,650,065	23,022,602
2033	23,022,602	-	2,833,415	-	1,566,427	21,755,614
2034	21,755,614	-	2,842,655	-	1,474,236	20,387,195
2035	20,387,195	-	2,841,578	-	1,375,064	18,920,681
2036	18,920,681	-	2,852,726	-	1,268,338	17,336,293
2037	17,336,293	-	2,881,961	-	1,152,410	15,606,742
2038	15,606,742	-	2,882,324	-	1,027,005	13,751,423
2039	13,751,423	-	2,871,545	-	892,885	11,772,763
2040	11,772,763	-	2,870,041	-	749,486	9,652,208
2041	9,652,208	-	2,855,341	-	596,279	7,393,146
2042	7,393,146	-	2,839,567	-	433,069	4,986,648
2043	4,986,648	-	2,807,812	-	259,749	2,438,585
2044	2,438,585	-	2,776,021	-	-	-

*All DROP Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 21.88

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.25% 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 = 5.25%

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	29,955,999	-	2,760,078	-	1,500,238	28,696,159
2024	28,696,159	-	2,372,687	-	1,444,265	27,767,737
2025	27,767,737	-	2,464,249	-	1,393,120	26,696,608
2026	26,696,608	-	2,497,384	-	1,336,016	25,535,240
2027	25,535,240	-	2,520,646	-	1,274,433	24,289,027
2028	24,289,027	-	2,549,714	-	1,208,244	22,947,557
2029	22,947,557	-	2,580,262	-	1,137,015	21,504,310
2030	21,504,310	-	2,653,192	-	1,059,330	19,910,448
2031	19,910,448	-	2,679,983	-	974,949	18,205,414
2032	18,205,414	-	2,773,948	-	882,968	16,314,434
2033	16,314,434	-	2,833,415	-	782,131	14,263,150
2034	14,263,150	-	2,842,655	-	674,196	12,094,691
2035	12,094,691	-	2,841,578	-	560,380	9,813,493
2036	9,813,493	-	2,852,726	-	440,324	7,401,091
2037	7,401,091	-	2,881,961	-	312,906	4,832,036
2038	4,832,036	-	2,882,324	-	178,021	2,127,733
2039	2,127,733	-	2,871,545	-	-	-

*All DROP Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 16.74

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.25% 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 = 9.25%

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	29,955,999	-	2,760,078	-	2,643,276	29,839,197
2024	29,839,197	-	2,372,687	-	2,650,389	30,116,899
2025	30,116,899	-	2,464,249	-	2,671,842	30,324,492
2026	30,324,492	-	2,497,384	-	2,689,512	30,516,620
2027	30,516,620	-	2,520,646	-	2,706,207	30,702,181
2028	30,702,181	-	2,549,714	-	2,722,027	30,874,494
2029	30,874,494	-	2,580,262	-	2,736,554	31,030,786
2030	31,030,786	-	2,653,192	-	2,747,638	31,125,232
2031	31,125,232	-	2,679,983	-	2,755,135	31,200,384
2032	31,200,384	-	2,773,948	-	2,757,740	31,184,176
2033	31,184,176	-	2,833,415	-	2,753,491	31,104,252
2034	31,104,252	-	2,842,655	-	2,745,671	31,007,268
2035	31,007,268	-	2,841,578	-	2,736,749	30,902,439
2036	30,902,439	-	2,852,726	-	2,726,537	30,776,250
2037	30,776,250	-	2,881,961	-	2,713,512	30,607,801
2038	30,607,801	-	2,882,324	-	2,697,914	30,423,391
2039	30,423,391	-	2,871,545	-	2,681,355	30,233,201
2040	30,233,201	-	2,870,041	-	2,663,832	30,026,992
2041	30,026,992	-	2,855,341	-	2,645,437	29,817,088
2042	29,817,088	-	2,839,567	-	2,626,751	29,604,272
2043	29,604,272	-	2,807,812	-	2,608,534	29,404,994
2044	29,404,994	-	2,776,021	-	2,591,571	29,220,544
2045	29,220,544	-	2,731,697	-	2,576,559	29,065,406
2046	29,065,406	-	2,681,067	-	2,564,551	28,948,890
2047	28,948,890	-	2,628,492	-	2,556,205	28,876,603
2048	28,876,603	-	2,566,011	-	2,552,408	28,863,000
2049	28,863,000	-	2,502,477	-	2,554,088	28,914,611
2050	28,914,611	-	2,433,056	-	2,562,073	29,043,628
2051	29,043,628	-	2,360,104	-	2,577,381	29,260,905
2052	29,260,905	-	2,285,941	-	2,600,909	29,575,873
2053	29,575,873	-	2,202,460	-	2,633,904	30,007,317
2054	30,007,317	-	2,122,526	-	2,677,510	30,562,301
2055	30,562,301	-	2,038,356	-	2,732,739	31,256,684
2056	31,256,684	-	1,953,935	-	2,800,874	32,103,623
2057	32,103,623	-	1,869,451	-	2,883,123	33,117,295
2058	33,117,295	-	1,780,411	-	2,981,006	34,317,890
2059	34,317,890	-	1,696,188	-	3,095,956	35,717,658
2060	35,717,658	-	1,609,284	-	3,229,454	37,337,828
2061	37,337,828	-	1,524,752	-	3,383,229	39,196,305
2062	39,196,305	-	1,441,057	-	3,559,009	41,314,257
2063	41,314,257	-	1,357,330	-	3,758,792	43,715,719
2064	43,715,719	-	1,279,401	-	3,984,532	46,420,850
2065	46,420,850	-	1,200,472	-	4,238,407	49,458,785
2066	49,458,785	-	1,125,974	-	4,522,861	52,855,672
2067	52,855,672	-	1,052,828	-	4,840,456	56,643,300
2068	56,643,300	-	982,874	-	5,194,047	60,854,473
2069	60,854,473	-	917,899	-	5,586,586	65,523,160
2070	65,523,160	-	852,430	-	6,021,467	70,692,197
2071	70,692,197	-	790,983	-	6,502,445	76,403,659
2072	76,403,659	-	731,238	-	7,033,519	82,705,940
2073	82,705,940	-	675,369	-	7,619,064	89,649,635

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: Discount Rate = 9.25%

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
2074	89,649,635	-	622,996	-	8,263,778	97,290,417
2075	97,290,417	-	572,056	-	8,972,906	105,691,267
2076	105,691,267	-	524,171	-	9,752,199	114,919,295
2077	114,919,295	-	477,773	-	10,607,938	125,049,460
2078	125,049,460	-	434,598	-	11,546,975	136,161,837
2079	136,161,837	-	393,283	-	12,576,781	148,345,335
2080	148,345,335	-	353,422	-	13,705,598	161,697,511
2081	161,697,511	-	316,195	-	14,942,396	176,323,712
2082	176,323,712	-	281,019	-	16,296,946	192,339,639
2083	192,339,639	-	248,667	-	17,779,916	209,870,888
2084	209,870,888	-	218,528	-	19,402,950	229,055,310
2085	229,055,310	-	190,409	-	21,178,810	250,043,711
2086	250,043,711	-	164,591	-	23,121,431	273,000,551
2087	273,000,551	-	140,960	-	25,246,032	298,105,623
2088	298,105,623	-	119,924	-	27,569,224	325,554,923
2089	325,554,923	-	101,253	-	30,109,147	355,562,817
2090	355,562,817	-	84,740	-	32,885,641	388,363,718
2091	388,363,718	-	70,379	-	35,920,389	424,213,728
2092	424,213,728	-	57,997	-	39,237,087	463,392,818
2093	463,392,818	-	47,488	-	42,861,639	506,206,969
2094	506,206,969	-	38,673	-	46,822,356	552,990,652
2095	552,990,652	-	31,254	-	51,150,190	604,109,588
2096	604,109,588	-	25,048	-	55,878,978	659,963,518
2097	659,963,518	-	19,890	-	61,045,706	720,989,334
2098	720,989,334	-	15,640	-	66,690,790	787,664,484
2099	787,664,484	-	12,188	-	72,858,401	860,510,697
2100	860,510,697	-	9,384	-	79,596,805	940,098,118
2101	940,098,118	-	7,131	-	86,958,746	1,027,049,733
2102	1,027,049,733	-	5,342	-	95,001,853	1,122,046,244
2103	1,122,046,244	-	3,942	-	103,789,095	1,225,831,397
2104	1,225,831,397	-	2,859	-	113,389,272	1,339,217,810
2105	1,339,217,810	-	2,037	-	123,877,553	1,463,093,326
2106	1,463,093,326	-	1,423	-	135,336,067	1,598,427,970
2107	1,598,427,970	-	974	-	147,854,542	1,746,281,538
2108	1,746,281,538	-	654	-	161,531,012	1,907,811,896
2109	1,907,811,896	-	430	-	176,472,580	2,084,284,046
2110	2,084,284,046	-	276	-	192,796,261	2,277,080,031
2111	2,277,080,031	-	173	-	210,629,895	2,487,709,753
2112	2,487,709,753	-	106	-	230,113,147	2,717,822,794
2113	2,717,822,794	-	63	-	251,398,606	2,969,221,337
2114	2,969,221,337	-	36	-	274,652,972	3,243,874,273
2115	3,243,874,273	-	20	-	300,058,369	3,543,932,622
2116	3,543,932,622	-	11	-	327,813,767	3,871,746,378
2117	3,871,746,378	-	6	-	358,136,540	4,229,882,912

*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 9.25% 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:	7.25%	5.25%	9.25%
Minimum Required Contribution (Fixed \$)	\$1,719,446	\$2,825,142	\$842,804
Minimum Required Contribution (% of Payroll)	45.75%	75.18%	22.43%
Expected Member Contribution	300,639	300,639	300,639
Expected State Money	354,936	354,936	354,936
Expected Sponsor Contribution (Fixed \$)	\$1,063,871	\$2,169,567	\$187,229
Expected Sponsor Contribution (% of Payroll)	28.31%	57.74%	4.99%

ASSETS

Actuarial Value ¹	32,123,085	32,123,085	32,123,085
Market Value ¹	29,955,999	29,955,999	29,955,999

LIABILITIES

Present Value of Benefits			
Actives			
Retirement Benefits	16,698,565	25,278,665	11,751,313
Disability Benefits	829,265	1,221,207	597,662
Death Benefits	229,949	329,532	170,020
Vested Benefits	634,426	1,006,832	423,373
Refund of Contributions	251,333	264,661	239,393
Service Retirees	19,315,395	23,674,005	16,216,452
DROP Retirees ¹	2,835,288	3,494,693	2,388,141
Beneficiaries	2,520,712	3,132,321	2,099,377
Disability Retirees	872,532	1,081,232	727,695
Terminated Vested	500,772	703,688	378,470
Share Plan Balances ¹	0	0	0
Total:	44,688,237	60,186,836	34,991,896
Present Value of Future Salaries	26,143,385	29,011,964	23,796,996
Present Value of Future Member Contributions	2,091,471	2,320,957	1,903,760
Total Normal Cost	819,331	1,282,647	553,141
Present Value of Future Normal Costs (Entry Age Normal)	5,291,171	9,487,955	3,155,425
Total Actuarial Accrued Liability (EAN) ¹	39,397,066	50,698,881	31,836,471
Unfunded Actuarial Accrued Liability (UAAL)	7,273,981	18,575,796	(286,614)

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:	7.25%	5.25%	9.25%
<u>PENSION COST</u>			
Normal Cost (with interest)	819,331	1,282,647	553,141
Administrative Expenses (with interest)	70,186	70,186	70,186
Payment Required To Amortize UAAL (with interest)	<u>829,929</u>	<u>1,472,309</u>	<u>219,477</u>
Minimum Required Contribution	\$1,719,446	\$2,825,142	\$842,804

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