

**CITY OF LAKELAND
POLICE OFFICERS' RETIREMENT SYSTEM**

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

May 17, 2024

VIA EMAIL

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

Re: City of Lakeland Police Officers' Retirement System
Section 112.664, Florida Statutes Compliance

Dear Ferrell:

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, ASA, EA, MAAA
Enrolled Actuary #23-6595

Enclosures

cc via email: Scott Christiansen, 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>	<u>HYPOTHETICAL</u>
Discount Rate:	6.75%	4.75%	8.75%
<u>Total Pension Liability</u>			
Service Cost	4,169,110	6,502,041	2,799,254
Interest	12,660,379	11,236,727	13,453,761
Share Plan Allocation	325,906	325,906	325,906
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	1,280,144	2,183,324	663,158
Changes of Assumptions	-	-	-
Contributions - Buy Back	35,374	35,374	35,374
Benefit Payments, Including Refunds of Employee Contributions	(12,767,781)	(12,767,781)	(12,767,781)
Net Change in Total Pension Liability	5,703,132	7,515,591	4,509,672
Total Pension Liability - Beginning	189,775,954	236,444,523	157,341,901
Total Pension Liability - Ending (a)	<u>\$ 195,479,086</u>	<u>\$ 243,960,114</u>	<u>\$ 161,851,573</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	1,651,758	1,651,758	1,651,758
Contributions - State	1,353,269	1,353,269	1,353,269
Contributions - Employee	2,200,318	2,200,318	2,200,318
Contributions - Buy Back	35,374	35,374	35,374
Net Investment Income	18,897,747	18,897,747	18,897,747
Benefit Payments, Including Refunds of Employee Contributions	(12,767,781)	(12,767,781)	(12,767,781)
Administrative Expenses	(218,642)	(218,642)	(218,642)
Net Change in Plan Fiduciary Net Position	11,152,043	11,152,043	11,152,043
Plan Fiduciary Net Position - Beginning	154,115,083	154,115,083	154,115,083
Plan Fiduciary Net Position - Ending (b)	<u>\$ 165,267,126</u>	<u>\$ 165,267,126</u>	<u>\$ 165,267,126</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 30,211,960</u>	<u>\$ 78,692,988</u>	<u>\$ (3,415,553)</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	164,617,706	-	19,594,324	-	10,450,387	155,473,769
2024	155,473,769	-	12,802,423	-	10,062,398	152,733,744
2025	152,733,744	-	13,015,346	-	9,870,260	149,588,658
2026	149,588,658	-	13,195,844	-	9,651,875	146,044,689
2027	146,044,689	-	13,487,394	-	9,402,817	141,960,112
2028	141,960,112	-	13,577,916	-	9,124,053	137,506,249
2029	137,506,249	-	13,620,132	-	8,821,992	132,708,109
2030	132,708,109	-	13,588,055	-	8,499,201	127,619,255
2031	127,619,255	-	13,533,120	-	8,157,557	122,243,692
2032	122,243,692	-	13,437,127	-	7,797,946	116,604,511
2033	116,604,511	-	13,299,601	-	7,421,943	110,726,853
2034	110,726,853	-	13,194,237	-	7,028,757	104,561,373
2035	104,561,373	-	13,062,856	-	6,617,021	98,115,538
2036	98,115,538	-	12,911,845	-	6,187,024	91,390,717
2037	91,390,717	-	12,797,329	-	5,736,964	84,330,352
2038	84,330,352	-	12,595,106	-	5,267,214	77,002,460
2039	77,002,460	-	12,405,045	-	4,778,996	69,376,411
2040	69,376,411	-	12,206,183	-	4,270,949	61,441,177
2041	61,441,177	-	11,957,511	-	3,743,713	53,227,379
2042	53,227,379	-	11,686,558	-	3,198,427	44,739,248
2043	44,739,248	-	11,407,369	-	2,634,901	35,966,780
2044	35,966,780	-	11,110,311	-	2,052,785	26,909,254
2045	26,909,254	-	10,793,707	-	1,452,087	17,567,634
2046	17,567,634	-	10,466,737	-	832,563	7,933,460
2047	7,933,460	-	10,113,731	-	-	-

*All DROP and Share Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 24.78

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	164,617,706	-	19,594,324	-	7,353,976	152,377,358
2024	152,377,358	-	12,802,423	-	6,933,867	146,508,802
2025	146,508,802	-	13,015,346	-	6,650,054	140,143,510
2026	140,143,510	-	13,195,844	-	6,343,415	133,291,081
2027	133,291,081	-	13,487,394	-	6,011,001	125,814,688
2028	125,814,688	-	13,577,916	-	5,653,722	117,890,494
2029	117,890,494	-	13,620,132	-	5,276,320	109,546,682
2030	109,546,682	-	13,588,055	-	4,880,751	100,839,378
2031	100,839,378	-	13,533,120	-	4,468,459	91,774,717
2032	91,774,717	-	13,437,127	-	4,040,167	82,377,757
2033	82,377,757	-	13,299,601	-	3,597,078	72,675,234
2034	72,675,234	-	13,194,237	-	3,138,710	62,619,707
2035	62,619,707	-	13,062,856	-	2,664,193	52,221,044
2036	52,221,044	-	12,911,845	-	2,173,843	41,483,042
2037	41,483,042	-	12,797,329	-	1,666,508	30,352,221
2038	30,352,221	-	12,595,106	-	1,142,597	18,899,712
2039	18,899,712	-	12,405,045	-	603,117	7,097,784
2040	7,097,784	-	12,206,183	-	-	-

*All DROP and Share Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 17.58

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	164,617,706	-	19,594,324	-	13,546,798	158,570,180
2024	158,570,180	-	12,802,423	-	13,314,785	159,082,542
2025	159,082,542	-	13,015,346	-	13,350,301	159,417,497
2026	159,417,497	-	13,195,844	-	13,371,713	159,593,366
2027	159,593,366	-	13,487,394	-	13,374,346	159,480,318
2028	159,480,318	-	13,577,916	-	13,360,494	159,262,896
2029	159,262,896	-	13,620,132	-	13,339,623	158,982,387
2030	158,982,387	-	13,588,055	-	13,316,481	158,710,813
2031	158,710,813	-	13,533,120	-	13,295,122	158,472,815
2032	158,472,815	-	13,437,127	-	13,278,497	158,314,185
2033	158,314,185	-	13,299,601	-	13,270,634	158,285,218
2034	158,285,218	-	13,194,237	-	13,272,709	158,363,690
2035	158,363,690	-	13,062,856	-	13,285,323	158,586,157
2036	158,586,157	-	12,911,845	-	13,311,396	158,985,708
2037	158,985,708	-	12,797,329	-	13,351,366	159,539,745
2038	159,539,745	-	12,595,106	-	13,408,692	160,353,331
2039	160,353,331	-	12,405,045	-	13,488,196	161,436,482
2040	161,436,482	-	12,206,183	-	13,591,672	162,821,971
2041	162,821,971	-	11,957,511	-	13,723,781	164,588,241
2042	164,588,241	-	11,686,558	-	13,890,184	166,791,867
2043	166,791,867	-	11,407,369	-	14,095,216	169,479,714
2044	169,479,714	-	11,110,311	-	14,343,399	172,712,802
2045	172,712,802	-	10,793,707	-	14,640,145	176,559,240
2046	176,559,240	-	10,466,737	-	14,991,014	181,083,517
2047	181,083,517	-	10,113,731	-	15,402,332	186,372,118
2048	186,372,118	-	9,747,435	-	15,881,110	192,505,793
2049	192,505,793	-	9,362,563	-	16,434,645	199,577,875
2050	199,577,875	-	8,969,761	-	17,070,637	207,678,751
2051	207,678,751	-	8,570,519	-	17,796,931	216,905,163
2052	216,905,163	-	8,167,226	-	18,621,886	227,359,823
2053	227,359,823	-	7,760,918	-	19,554,444	239,153,349
2054	239,153,349	-	7,352,869	-	20,604,230	252,404,710
2055	252,404,710	-	6,944,756	-	21,781,579	267,241,533
2056	267,241,533	-	6,538,157	-	23,097,590	283,800,966
2057	283,800,966	-	6,135,373	-	24,564,162	302,229,755
2058	302,229,755	-	5,738,177	-	26,194,058	322,685,636
2059	322,685,636	-	5,348,511	-	28,000,996	345,338,121
2060	345,338,121	-	4,967,976	-	29,999,737	370,369,882
2061	370,369,882	-	4,598,464	-	32,206,182	397,977,600
2062	397,977,600	-	4,241,645	-	34,637,468	428,373,423
2063	428,373,423	-	3,899,051	-	37,312,091	461,786,463
2064	461,786,463	-	3,572,003	-	40,250,040	498,464,500
2065	498,464,500	-	3,261,545	-	43,472,951	538,675,906
2066	538,675,906	-	2,968,452	-	47,004,272	582,711,726
2067	582,711,726	-	2,693,131	-	50,869,452	630,888,047
2068	630,888,047	-	2,435,787	-	55,096,138	683,548,398
2069	683,548,398	-	2,196,354	-	59,714,394	741,066,438
2070	741,066,438	-	1,974,513	-	64,756,928	803,848,853
2071	803,848,853	-	1,769,691	-	70,259,351	872,338,513

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
2072	872,338,513	-	1,581,123	-	76,260,446	947,017,836
2073	947,017,836	-	1,408,012	-	82,802,460	1,028,412,284
2074	1,028,412,284	-	1,249,602	-	89,931,405	1,117,094,087
2075	1,117,094,087	-	1,105,223	-	97,697,379	1,213,686,243
2076	1,213,686,243	-	974,148	-	106,154,927	1,318,867,022
2077	1,318,867,022	-	855,621	-	115,363,431	1,433,374,832
2078	1,433,374,832	-	748,856	-	125,387,535	1,558,013,511
2079	1,558,013,511	-	653,052	-	136,297,611	1,693,658,070
2080	1,693,658,070	-	567,375	-	148,170,258	1,841,260,953
2081	1,841,260,953	-	490,967	-	161,088,854	2,001,858,840
2082	2,001,858,840	-	423,028	-	175,144,141	2,176,579,953
2083	2,176,579,953	-	362,807	-	190,434,873	2,366,652,019
2084	2,366,652,019	-	309,654	-	207,068,504	2,573,410,869
2085	2,573,410,869	-	262,974	-	225,161,946	2,798,309,841
2086	2,798,309,841	-	222,185	-	244,842,390	3,042,930,046
2087	3,042,930,046	-	186,753	-	266,248,209	3,308,991,502
2088	3,308,991,502	-	156,172	-	289,529,924	3,598,365,254
2089	3,598,365,254	-	129,950	-	314,851,274	3,913,086,578
2090	3,913,086,578	-	107,612	-	342,390,368	4,255,369,334
2091	4,255,369,334	-	88,706	-	372,340,936	4,627,621,564
2092	4,627,621,564	-	72,810	-	404,913,701	5,032,462,455
2093	5,032,462,455	-	59,530	-	440,337,860	5,472,740,785
2094	5,472,740,785	-	48,506	-	478,862,697	5,951,554,976
2095	5,951,554,976	-	39,411	-	520,759,336	6,472,274,901
2096	6,472,274,901	-	31,960	-	566,322,656	7,038,565,597
2097	7,038,565,597	-	25,907	-	615,873,356	7,654,413,046
2098	7,654,413,046	-	21,032	-	669,760,221	8,324,152,235
2099	8,324,152,235	-	17,136	-	728,362,571	9,052,497,670
2100	9,052,497,670	-	14,045	-	792,092,932	9,844,576,557
2101	9,844,576,557	-	11,611	-	861,399,941	10,705,964,887
2102	10,705,964,887	-	9,705	-	936,771,503	11,642,726,685
2103	11,642,726,685	-	8,211	-	1,018,738,226	12,661,456,700
2104	12,661,456,700	-	7,036	-	1,107,877,153	13,769,326,817
2105	13,769,326,817	-	6,101	-	1,204,815,830	14,974,136,546
2106	14,974,136,546	-	5,343	-	1,310,236,714	16,284,367,917
2107	16,284,367,917	-	4,713	-	1,424,881,987	17,709,245,191
2108	17,709,245,191	-	4,173	-	1,549,558,772	19,258,799,790
2109	19,258,799,790	-	3,701	-	1,685,144,820	20,943,940,909
2110	20,943,940,909	-	3,271	-	1,832,594,686	22,776,532,324
2111	22,776,532,324	-	2,870	-	1,992,946,453	24,769,475,907
2112	24,769,475,907	-	2,489	-	2,167,329,033	26,936,802,451
2113	26,936,802,451	-	2,129	-	2,356,970,121	29,293,770,443
2114	29,293,770,443	-	1,792	-	2,563,204,835	31,856,973,486
2115	31,856,973,486	-	1,482	-	2,787,485,115	34,644,457,119
2116	34,644,457,119	-	1,200	-	3,031,389,945	37,675,845,864
2117	37,675,845,864	-	949	-	3,296,636,472	40,972,481,387
2118	40,972,481,387	-	732	-	3,585,092,089	44,557,572,744
2119	44,557,572,744	-	550	-	3,898,787,591	48,456,359,785
2120	48,456,359,785	-	401	-	4,239,931,464	52,696,290,848

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
2121	52,696,290,848	-	282	-	4,610,925,437	57,307,216,003
2122	57,307,216,003	-	192	-	5,014,381,392	62,321,597,203
2123	62,321,597,203	-	126	-	5,453,139,750	67,774,736,827
2124	67,774,736,827	-	80	-	5,930,289,469	73,705,026,216
2125	73,705,026,216	-	48	-	6,449,189,792	80,154,215,960
2126	80,154,215,960	-	28	-	7,013,493,895	87,167,709,827
2127	87,167,709,827	-	16	-	7,627,174,609	94,794,884,420
2128	94,794,884,420	-	8	-	8,294,552,386	103,089,436,798
2129	103,089,436,798	-	4	-	9,020,325,720	112,109,762,514
2130	112,109,762,514	-	2	-	9,809,604,220	121,919,366,732
2131	121,919,366,732	-	1	-	10,667,944,589	132,587,311,320
2132	132,587,311,320	-	1	-	11,601,389,740	144,188,701,059
2133	144,188,701,059	-	-	-	12,616,511,343	156,805,212,402

*All DROP and Share 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 \$)	\$6,516,730	\$11,301,488	\$3,109,281
Minimum Required Contribution (% of Payroll)	35.84%	62.14%	17.10%
Expected Member Contribution	2,996,908	5,388,252	1,292,962
Expected State Money	1,027,363	1,027,363	1,027,363
Expected Sponsor Contribution (Fixed \$)	\$2,492,459	\$4,885,873	\$788,956
Expected Sponsor Contribution (% of Payroll)	13.71%	26.86%	4.34%

ASSETS

Actuarial Value ¹	179,400,311	179,400,311	179,400,311
Market Value ¹	164,617,706	164,617,706	164,617,706

LIABILITIES

Present Value of Benefits			
Actives			
Retirement Benefits	87,486,527	132,550,722	61,241,032
Disability Benefits	1,465,916	2,086,750	1,077,212
Death Benefits	388,806	496,542	311,782
Vested Benefits	5,963,149	10,127,301	3,712,488
Refund of Contributions	1,908,505	2,031,603	1,798,538
Service Retirees	94,052,929	112,887,991	80,360,107
DROP Retirees ¹	24,871,021	29,790,379	21,483,044
Beneficiaries	3,890,234	4,631,997	3,353,602
Disability Retirees	9,484,368	11,887,508	7,857,590
Terminated Vested	3,668,518	4,683,260	2,985,594
Share Plan Balances ¹	1,197,813	1,197,813	1,197,813
Gain Sharing Reserve ¹	0	0	0
Total:	234,377,786	312,371,866	185,378,802
Present Value of Future Salaries	160,368,441	182,533,623	142,858,050
Present Value of Future Member Contributions	26,428,719	54,084,712	10,157,207
Total Normal Cost	4,146,692	6,503,987	2,756,042
Present Value of Future Normal Costs (Entry Age Normal)	34,951,993	63,276,465	20,385,437
Total Actuarial Accrued Liability (EAN) ¹	199,425,793	249,095,401	164,993,365
Unfunded Actuarial Accrued Liability (UAAL)	20,025,482	69,695,090	(14,406,946)

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 (with interest)	4,286,643	6,658,457	2,876,619
Administrative Expenses (with interest)	230,433	228,204	232,662
Payment Required To Amortize UAAL (with interest)	<u>1,999,654</u>	<u>4,414,827</u>	<u>(555,243)</u>
Minimum Required Contribution ²	\$6,516,730	\$11,301,488	\$3,109,281

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

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