

CITY OF NORTH PORT  
POLICE OFFICERS' PENSION - LOCAL OPTION TRUST FUND

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



March 19, 2024

VIA E-MAIL

Mr. Toby Rabelo, Administrator  
North Port Police Officers' Pension  
Resource Centers  
4100 Center Pointe Drive, Ste. 108  
Fort Myers, FL 33916

Re: City of North Port Police Officers' Pension - Local Option Trust Fund  
Section 112.664, Florida Statutes Compliance

Dear Toby:

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: Scott R. 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

	ACTUAL	HYPOTHETICAL	HYPOTHETICAL
Discount Rate:	7.00%	5.00%	9.00%
<u>Total Pension Liability</u>			
Service Cost	1,541,139	2,375,831	1,040,482
Interest	4,457,266	4,079,657	4,629,499
Share Plan Allocation	451,992	451,992	451,992
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	887,359	1,604,404	405,100
Changes of Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(2,600,297)	(2,600,297)	(2,600,297)
Net Change in Total Pension Liability	4,737,459	5,911,587	3,926,776
Total Pension Liability - Beginning	63,434,238	80,517,448	51,698,542
Total Pension Liability - Ending (a)	\$ 68,171,697	\$ 86,429,035	\$ 55,625,318
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	1,440,691	1,440,691	1,440,691
Contributions - State	731,992	731,992	731,992
Contributions - Employee	528,061	528,061	528,061
Net Investment Income	6,240,056	6,240,056	6,240,056
Benefit Payments, Including Refunds of Employee Contributions	(2,600,297)	(2,600,297)	(2,600,297)
Administrative Expenses	(83,491)	(83,491)	(83,491)
Net Change in Plan Fiduciary Net Position	6,257,012	6,257,012	6,257,012
Plan Fiduciary Net Position - Beginning	54,206,098	54,206,098	54,206,098
Plan Fiduciary Net Position - Ending (b)	\$ 60,463,110	\$ 60,463,110	\$ 60,463,110
Net Pension Liability - Ending (a) - (b)	\$ 7,708,587	\$ 25,965,925	\$ (4,837,792)

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

Table 1  
Plan Assumptions: Discount Rate = 7.00%

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	59,833,433	-	5,585,890	-	3,992,834	58,240,377
2024	58,240,377	-	3,434,919	-	3,956,604	58,762,062
2025	58,762,062	-	3,634,505	-	3,986,137	59,113,694
2026	59,113,694	-	3,790,267	-	4,005,299	59,328,726
2027	59,328,726	-	4,015,914	-	4,012,454	59,325,266
2028	59,325,266	-	4,167,103	-	4,006,920	59,165,083
2029	59,165,083	-	4,357,899	-	3,989,029	58,796,213
2030	58,796,213	-	4,505,850	-	3,958,030	58,248,393
2031	58,248,393	-	4,640,017	-	3,914,987	57,523,363
2032	57,523,363	-	4,857,446	-	3,856,625	56,522,542
2033	56,522,542	-	4,940,424	-	3,783,663	55,365,781
2034	55,365,781	-	5,011,591	-	3,700,199	54,054,389
2035	54,054,389	-	4,989,295	-	3,609,182	52,674,276
2036	52,674,276	-	5,038,009	-	3,510,869	51,147,136
2037	51,147,136	-	5,025,354	-	3,404,412	49,526,194
2038	49,526,194	-	5,043,870	-	3,290,298	47,772,622
2039	47,772,622	-	4,993,121	-	3,169,324	45,948,825
2040	45,948,825	-	4,939,291	-	3,043,543	44,053,077
2041	44,053,077	-	4,876,696	-	2,913,031	42,089,412
2042	42,089,412	-	4,796,191	-	2,778,392	40,071,613
2043	40,071,613	-	4,713,038	-	2,640,057	37,998,632
2044	37,998,632	-	4,627,809	-	2,497,931	35,868,754
2045	35,868,754	-	4,537,410	-	2,352,003	33,683,347
2046	33,683,347	-	4,442,644	-	2,202,342	31,443,045
2047	31,443,045	-	4,339,856	-	2,049,118	29,152,307
2048	29,152,307	-	4,231,226	-	1,892,569	26,813,650
2049	26,813,650	-	4,118,278	-	1,732,816	24,428,188
2050	24,428,188	-	3,999,681	-	1,569,984	21,998,491
2051	21,998,491	-	3,875,519	-	1,404,251	19,527,223
2052	19,527,223	-	3,746,471	-	1,235,779	17,016,531
2053	17,016,531	-	3,612,055	-	1,064,735	14,469,211
2054	14,469,211	-	3,472,387	-	891,311	11,888,135
2055	11,888,135	-	3,328,043	-	715,688	9,275,780
2056	9,275,780	-	3,179,172	-	538,034	6,634,642
2057	6,634,642	-	3,026,572	-	358,495	3,966,565
2058	3,966,565	-	2,870,705	-	177,185	1,273,045
2059	1,273,045	-	2,712,332	-	-	-

\*All DROP and Share Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 36.47

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.00% 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 = 5.00%

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	59,833,433	-	5,585,890	-	2,852,024	57,099,567
2024	57,099,567	-	3,434,919	-	2,769,105	56,433,753
2025	56,433,753	-	3,634,505	-	2,730,825	55,530,073
2026	55,530,073	-	3,790,267	-	2,681,747	54,421,553
2027	54,421,553	-	4,015,914	-	2,620,680	53,026,319
2028	53,026,319	-	4,167,103	-	2,547,138	51,406,354
2029	51,406,354	-	4,357,899	-	2,461,370	49,509,825
2030	49,509,825	-	4,505,850	-	2,362,845	47,366,820
2031	47,366,820	-	4,640,017	-	2,252,341	44,979,144
2032	44,979,144	-	4,857,446	-	2,127,521	42,249,219
2033	42,249,219	-	4,940,424	-	1,988,950	39,297,745
2034	39,297,745	-	5,011,591	-	1,839,597	36,125,751
2035	36,125,751	-	4,989,295	-	1,681,555	32,818,011
2036	32,818,011	-	5,038,009	-	1,514,950	29,294,952
2037	29,294,952	-	5,025,354	-	1,339,114	25,608,712
2038	25,608,712	-	5,043,870	-	1,154,339	21,719,181
2039	21,719,181	-	4,993,121	-	961,131	17,687,191
2040	17,687,191	-	4,939,291	-	760,877	13,508,777
2041	13,508,777	-	4,876,696	-	553,521	9,185,602
2042	9,185,602	-	4,796,191	-	339,375	4,728,786
2043	4,728,786	-	4,713,038	-	118,613	134,361
2044	134,361	-	4,627,809	-	-	-

\*All DROP and Share Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 21.03

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.00% 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 = 9.00%

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	59,833,433	-	5,585,890	-	5,133,644	59,381,187
2024	59,381,187	-	3,434,919	-	5,189,735	61,136,003
2025	61,136,003	-	3,634,505	-	5,338,688	62,840,186
2026	62,840,186	-	3,790,267	-	5,485,055	64,534,974
2027	64,534,974	-	4,015,914	-	5,627,432	66,146,492
2028	66,146,492	-	4,167,103	-	5,765,665	67,745,054
2029	67,745,054	-	4,357,899	-	5,900,949	69,288,104
2030	69,288,104	-	4,505,850	-	6,033,166	70,815,420
2031	70,815,420	-	4,640,017	-	6,164,587	72,339,990
2032	72,339,990	-	4,857,446	-	6,292,014	73,774,558
2033	73,774,558	-	4,940,424	-	6,417,391	75,251,525
2034	75,251,525	-	5,011,591	-	6,547,116	76,787,050
2035	76,787,050	-	4,989,295	-	6,686,316	78,484,071
2036	78,484,071	-	5,038,009	-	6,836,856	80,282,918
2037	80,282,918	-	5,025,354	-	6,999,322	82,256,886
2038	82,256,886	-	5,043,870	-	7,176,146	84,389,162
2039	84,389,162	-	4,993,121	-	7,370,334	86,766,375
2040	86,766,375	-	4,939,291	-	7,586,706	89,413,790
2041	89,413,790	-	4,876,696	-	7,827,790	92,364,884
2042	92,364,884	-	4,796,191	-	8,097,011	95,665,704
2043	95,665,704	-	4,713,038	-	8,397,827	99,350,493
2044	99,350,493	-	4,627,809	-	8,733,293	103,455,977
2045	103,455,977	-	4,537,410	-	9,106,854	108,025,421
2046	108,025,421	-	4,442,644	-	9,522,369	113,105,146
2047	113,105,146	-	4,339,856	-	9,984,170	118,749,460
2048	118,749,460	-	4,231,226	-	10,497,046	125,015,280
2049	125,015,280	-	4,118,278	-	11,066,053	131,963,055
2050	131,963,055	-	3,999,681	-	11,696,689	139,660,063
2051	139,660,063	-	3,875,519	-	12,395,007	148,179,551
2052	148,179,551	-	3,746,471	-	13,167,568	157,600,648
2053	157,600,648	-	3,612,055	-	14,021,516	168,010,109
2054	168,010,109	-	3,472,387	-	14,964,652	179,502,374
2055	179,502,374	-	3,328,043	-	16,005,452	192,179,783
2056	192,179,783	-	3,179,172	-	17,153,118	206,153,729
2057	206,153,729	-	3,026,572	-	18,417,640	221,544,797
2058	221,544,797	-	2,870,705	-	19,809,850	238,483,942
2059	238,483,942	-	2,712,332	-	21,341,500	257,113,110
2060	257,113,110	-	2,552,337	-	23,025,325	277,586,098
2061	277,586,098	-	2,391,725	-	24,875,121	300,069,494
2062	300,069,494	-	2,231,536	-	26,905,835	324,743,793
2063	324,743,793	-	2,072,825	-	29,133,664	351,804,632
2064	351,804,632	-	1,916,603	-	31,576,170	381,464,199
2065	381,464,199	-	1,763,788	-	34,252,407	413,952,818
2066	413,952,818	-	1,615,241	-	37,183,068	449,520,645
2067	449,520,645	-	1,471,804	-	40,390,627	488,439,468
2068	488,439,468	-	1,334,241	-	43,899,511	531,004,738
2069	531,004,738	-	1,203,277	-	47,736,279	577,537,740
2070	577,537,740	-	1,079,524	-	51,929,818	628,388,034
2071	628,388,034	-	963,437	-	56,511,568	683,936,165
2072	683,936,165	-	855,302	-	61,515,766	744,596,629
2073	744,596,629	-	755,288	-	66,979,709	810,821,050
2074	810,821,050	-	663,423	-	72,944,040	883,101,667

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

Table 3  
Hypothetical Assumptions: Discount Rate = 9.00%

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	883,101,667	-	579,580	-	79,453,069	961,975,156
2076	961,975,156	-	503,546	-	86,555,104	1,048,026,714
2077	1,048,026,714	-	434,958	-	94,302,831	1,141,894,587
2078	1,141,894,587	-	373,384	-	102,753,711	1,244,274,914
2079	1,244,274,914	-	318,389	-	111,970,415	1,355,926,940
2080	1,355,926,940	-	269,563	-	122,021,294	1,477,678,671
2081	1,477,678,671	-	226,498	-	132,980,888	1,610,433,061
2082	1,610,433,061	-	188,778	-	144,930,480	1,755,174,763
2083	1,755,174,763	-	155,964	-	157,958,710	1,912,977,509
2084	1,912,977,509	-	127,653	-	172,162,231	2,085,012,087
2085	2,085,012,087	-	103,428	-	187,646,434	2,272,555,093
2086	2,272,555,093	-	82,888	-	204,526,228	2,476,998,433
2087	2,476,998,433	-	65,654	-	222,926,905	2,699,859,684
2088	2,699,859,684	-	51,358	-	242,985,060	2,942,793,386
2089	2,942,793,386	-	39,653	-	264,849,620	3,207,603,353
2090	3,207,603,353	-	30,195	-	288,682,943	3,496,256,101
2091	3,496,256,101	-	22,660	-	314,662,029	3,810,895,470
2092	3,810,895,470	-	16,747	-	342,979,839	4,153,858,562
2093	4,153,858,562	-	12,180	-	373,846,722	4,527,693,104
2094	4,527,693,104	-	8,709	-	407,491,987	4,935,176,382
2095	4,935,176,382	-	6,117	-	444,165,599	5,379,335,864
2096	5,379,335,864	-	4,218	-	484,140,038	5,863,471,684
2097	5,863,471,684	-	2,851	-	527,712,323	6,391,181,156
2098	6,391,181,156	-	1,889	-	575,206,219	6,966,385,486
2099	6,966,385,486	-	1,226	-	626,974,639	7,593,358,899
2100	7,593,358,899	-	779	-	683,402,266	8,276,760,386
2101	8,276,760,386	-	484	-	744,908,413	9,021,668,315
2102	9,021,668,315	-	294	-	811,950,135	9,833,618,156
2103	9,833,618,156	-	175	-	885,025,626	10,718,643,607
2104	10,718,643,607	-	102	-	964,677,920	11,683,321,425
2105	11,683,321,425	-	58	-	1,051,498,926	12,734,820,293
2106	12,734,820,293	-	32	-	1,146,133,825	13,880,954,086
2107	13,880,954,086	-	18	-	1,249,285,867	15,130,239,935
2108	15,130,239,935	-	9	-	1,361,721,594	16,491,961,520
2109	16,491,961,520	-	5	-	1,484,276,537	17,976,238,052
2110	17,976,238,052	-	2	-	1,617,861,425	19,594,099,475
2111	19,594,099,475	-	1	-	1,763,468,953	21,357,568,427
2112	21,357,568,427	-	1	-	1,922,181,158	23,279,749,584
2113	23,279,749,584	-	-	-	2,095,177,463	25,374,927,047

\*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 9.00% 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:	7.00%	5.00%	9.00%
Minimum Required Contribution (Fixed \$)	\$2,972,229	\$5,118,555	\$1,201,995
Minimum Required Contribution (% of Payroll)	46.3%	79.8%	18.7%
Expected Member Contribution	531,325	526,191	536,458
Expected State Money	280,000	280,000	280,000
Expected Sponsor Contribution (Fixed \$)	\$2,160,904	\$4,312,364	\$385,537
Expected Sponsor Contribution (% of Payroll)	33.7%	67.2%	6.1%

**ASSETS**

Actuarial Value <sup>1</sup>	62,437,737	62,437,737	62,437,737
Market Value <sup>1</sup>	59,833,433	59,833,433	59,833,433

**LIABILITIES**

Present Value of Benefits			
Actives			
Retirement Benefits	45,306,819	64,137,055	33,499,647
Disability Benefits	1,527,909	2,043,953	1,183,632
Death Benefits	263,465	365,348	199,823
Vested Benefits	614,627	919,969	430,603
Refund of Contributions	24,669	24,952	24,398
Service Retirees	21,463,713	26,321,384	18,034,999
DROP Retirees <sup>1</sup>	4,038,839	4,988,794	3,390,804
Beneficiaries	2,886,158	3,459,874	2,470,719
Disability Retirees	3,648,238	4,472,758	3,068,108
Terminated Vested	945,173	1,387,330	674,901
Share Plan Balances <sup>1</sup>	1,919,001	1,919,001	1,919,001
Excess State Monies Reserve	0	0	0
Total:	<u>82,638,611</u>	<u>110,040,418</u>	<u>64,896,635</u>
Present Value of Future Salaries	40,142,473	43,659,818	37,157,518
Present Value of Future Member Contributions	3,211,398	3,492,785	2,972,601
Total Normal Cost	1,540,972	2,427,134	1,011,656
Present Value of Future Normal Costs (Entry Age Normal)	9,968,463	17,291,564	5,981,353
Total Actuarial Accrued Liability (EAN) <sup>1</sup>	72,670,148	92,748,854	58,915,282
Unfunded Actuarial Accrued Liability (UAAL)	10,232,411	30,311,117	(3,522,455)

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:	7.00%	5.00%	9.00%
<b><u>PENSION COST</u></b>			
Normal Cost <sup>2</sup>	1,674,013	2,611,208	1,109,617
Administrative Expenses <sup>2</sup>	91,494	90,610	92,378
Payment Required To Amortize UAAL <sup>2</sup>	1,206,722	2,416,737	(6,559)
Minimum Required Contribution <sup>3</sup>	\$2,972,229	\$5,118,555	\$1,201,995

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

<sup>2</sup> Contributions developed as of 10/1/2023 displayed above have been adjusted to account for assumed salary increase and interest components.

<sup>3</sup> Reflects normal cost minimum funding requirements of Chapter 112, Florida Statutes.