

TOWN OF MELBOURNE BEACH
POLICE OFFICERS' RETIREMENT TRUST FUND

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2024 VALUATION DATE



March 10, 2025

Ms. Jennifer Kerr, Finance Director
Town of Melbourne Beach
507 Ocean Avenue
Melbourne Beach, FL 32951

Re: Town of Melbourne Beach Police Officers' Retirement Trust Fund
Section 112.664, Florida Statutes Compliance

Dear Jenna:

Please find enclosed the annual disclosures that satisfy the October 1, 2024 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), Florida Statutes, 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.

Respectfully submitted,

Foster & Foster, Inc.



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, 2024 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, 2024

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	6.50%	4.50%
<u>Total Pension Liability</u>		
Service Cost	154,507	238,501
Interest	324,854	290,686
Changes of Benefit Terms	-	-
Experience Gains/Losses	(72,736)	(101,855)
Changes of Assumptions	55,353	81,518
Benefit Payments	(306,381)	(306,381)
Net Change in Total Pension Liability	155,597	202,469
Total Pension Liability - Beginning	4,920,729	6,233,957
Total Pension Liability - Ending (a)	<u>\$ 5,076,326</u>	<u>\$ 6,436,426</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	141,643	141,643
Contributions - State	50,513	50,513
Contributions - Employee	32,805	32,805
Net Investment Income	1,041,627	1,041,627
Benefit Payments	(306,381)	(306,381)
Administrative Expense	(23,719)	(23,719)
Net Change in Plan Fiduciary Net Position	936,488	936,488
Plan Fiduciary Net Position - Beginning	4,398,663	4,398,663
Plan Fiduciary Net Position - Ending (b)	<u>\$ 5,335,151</u>	<u>\$ 5,335,151</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (258,825)</u>	<u>\$ 1,101,275</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Investment Rate of Return = 6.50%

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
2024	5,331,881	-	344,004	-	335,392	5,323,269
2025	5,323,269	-	321,878	-	335,551	5,336,942
2026	5,336,942	-	316,860	-	336,603	5,356,685
2027	5,356,685	-	313,597	-	337,993	5,381,081
2028	5,381,081	-	356,501	-	338,184	5,362,764
2029	5,362,764	-	354,599	-	337,055	5,345,220
2030	5,345,220	-	349,139	-	336,092	5,332,173
2031	5,332,173	-	347,236	-	335,306	5,320,243
2032	5,320,243	-	341,432	-	334,719	5,313,530
2033	5,313,530	-	336,231	-	334,452	5,311,751
2034	5,311,751	-	358,957	-	333,598	5,286,392
2035	5,286,392	-	351,309	-	332,198	5,267,281
2036	5,267,281	-	343,531	-	331,209	5,254,959
2037	5,254,959	-	336,054	-	330,651	5,249,556
2038	5,249,556	-	345,939	-	329,978	5,233,595
2039	5,233,595	-	351,496	-	328,760	5,210,859
2040	5,210,859	-	343,328	-	327,548	5,195,079
2041	5,195,079	-	334,101	-	326,822	5,187,800
2042	5,187,800	-	325,563	-	326,626	5,188,863
2043	5,188,863	-	318,633	-	326,921	5,197,151
2044	5,197,151	-	308,268	-	327,796	5,216,679
2045	5,216,679	-	299,377	-	329,354	5,246,656
2046	5,246,656	-	289,910	-	331,611	5,288,357
2047	5,288,357	-	283,305	-	334,536	5,339,588
2048	5,339,588	-	272,082	-	338,231	5,405,737
2049	5,405,737	-	261,572	-	342,872	5,487,037
2050	5,487,037	-	252,562	-	348,449	5,582,924
2051	5,582,924	-	242,506	-	355,009	5,695,427
2052	5,695,427	-	232,391	-	362,650	5,825,686
2053	5,825,686	-	222,144	-	371,450	5,974,992
2054	5,974,992	-	212,013	-	381,484	6,144,463
2055	6,144,463	-	201,850	-	392,830	6,335,443
2056	6,335,443	-	191,658	-	405,575	6,549,360
2057	6,549,360	-	181,294	-	419,816	6,787,882
2058	6,787,882	-	171,029	-	435,654	7,052,507
2059	7,052,507	-	160,845	-	453,185	7,344,847
2060	7,344,847	-	150,733	-	472,516	7,666,630
2061	7,666,630	-	140,814	-	493,754	8,019,570
2062	8,019,570	-	131,082	-	517,012	8,405,500
2063	8,405,500	-	121,539	-	542,407	8,826,368
2064	8,826,368	-	112,216	-	570,067	9,284,219
2065	9,284,219	-	103,167	-	600,121	9,781,173
2066	9,781,173	-	94,453	-	632,707	10,319,427
2067	10,319,427	-	86,144	-	667,963	10,901,246
2068	10,901,246	-	78,281	-	706,037	11,529,002
2069	11,529,002	-	70,880	-	747,082	12,205,204
2070	12,205,204	-	63,945	-	791,260	12,932,519
2071	12,932,519	-	57,473	-	838,746	13,713,792
2072	13,713,792	-	51,436	-	889,725	14,552,081

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Investment Rate of Return = 6.50%

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
2073	14,552,081	-	45,814	-	944,396	15,450,663
2074	15,450,663	-	40,601	-	1,002,974	16,413,036
2075	16,413,036	-	35,794	-	1,065,684	17,442,926
2076	17,442,926	-	31,392	-	1,132,770	18,544,304
2077	18,544,304	-	27,384	-	1,204,490	19,721,410
2078	19,721,410	-	23,750	-	1,281,120	20,978,780
2079	20,978,780	-	20,462	-	1,362,956	22,321,274
2080	22,321,274	-	17,505	-	1,450,314	23,754,083
2081	23,754,083	-	14,865	-	1,543,532	25,282,750
2082	25,282,750	-	12,531	-	1,642,971	26,913,190
2083	26,913,190	-	10,482	-	1,749,017	28,651,725
2084	28,651,725	-	8,698	-	1,862,079	30,505,106
2085	30,505,106	-	7,158	-	1,982,599	32,480,547
2086	32,480,547	-	5,844	-	2,111,046	34,585,749
2087	34,585,749	-	4,735	-	2,247,920	36,828,934
2088	36,828,934	-	3,810	-	2,393,757	39,218,881
2089	39,218,881	-	3,046	-	2,549,128	41,764,963
2090	41,764,963	-	2,423	-	2,714,644	44,477,184
2091	44,477,184	-	1,919	-	2,890,955	47,366,220
2092	47,366,220	-	1,514	-	3,078,755	50,443,461
2093	50,443,461	-	1,188	-	3,278,786	53,721,059
2094	53,721,059	-	928	-	3,491,839	57,211,970
2095	57,211,970	-	719	-	3,718,755	60,930,006
2096	60,930,006	-	552	-	3,960,432	64,889,886
2097	64,889,886	-	420	-	4,217,829	69,107,295
2098	69,107,295	-	314	-	4,491,964	73,598,945
2099	73,598,945	-	232	-	4,783,924	78,382,637
2100	78,382,637	-	168	-	5,094,866	83,477,335
2101	83,477,335	-	119	-	5,426,023	88,903,239
2102	88,903,239	-	83	-	5,778,708	94,681,864
2103	94,681,864	-	56	-	6,154,319	100,836,127
2104	100,836,127	-	37	-	6,554,347	107,390,437
2105	107,390,437	-	24	-	6,980,378	114,370,791
2106	114,370,791	-	15	-	7,434,101	121,804,877
2107	121,804,877	-	9	-	7,917,317	129,722,185
2108	129,722,185	-	5	-	8,431,942	138,154,122
2109	138,154,122	-	3	-	8,980,018	147,134,137
2110	147,134,137	-	2	-	9,563,719	156,697,854
2111	156,697,854	-	1	-	10,185,360	166,883,213
2112	166,883,213	-	-	-	10,847,409	177,730,622

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 6.50% 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: Investment Rate of Return = 4.50%

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
2024	5,331,881	-	344,004	-	232,195	5,220,072
2025	5,220,072	-	321,878	-	227,661	5,125,855
2026	5,125,855	-	316,860	-	223,534	5,032,529
2027	5,032,529	-	313,597	-	219,408	4,938,340
2028	4,938,340	-	356,501	-	214,204	4,796,043
2029	4,796,043	-	354,599	-	207,843	4,649,287
2030	4,649,287	-	349,139	-	201,362	4,501,510
2031	4,501,510	-	347,236	-	194,755	4,349,029
2032	4,349,029	-	341,432	-	188,024	4,195,621
2033	4,195,621	-	336,231	-	181,238	4,040,628
2034	4,040,628	-	358,957	-	173,752	3,855,423
2035	3,855,423	-	351,309	-	165,590	3,669,704
2036	3,669,704	-	343,531	-	157,407	3,483,580
2037	3,483,580	-	336,054	-	149,200	3,296,726
2038	3,296,726	-	345,939	-	140,569	3,091,356
2039	3,091,356	-	351,496	-	131,202	2,871,062
2040	2,871,062	-	343,328	-	121,473	2,649,207
2041	2,649,207	-	334,101	-	111,697	2,426,803
2042	2,426,803	-	325,563	-	101,881	2,203,121
2043	2,203,121	-	318,633	-	91,971	1,976,459
2044	1,976,459	-	308,268	-	82,005	1,750,196
2045	1,750,196	-	299,377	-	72,023	1,522,842
2046	1,522,842	-	289,910	-	62,005	1,294,937
2047	1,294,937	-	283,305	-	51,898	1,063,530
2048	1,063,530	-	272,082	-	41,737	833,185
2049	833,185	-	261,572	-	31,608	603,221
2050	603,221	-	252,562	-	21,462	372,121
2051	372,121	-	242,506	-	11,289	140,904
2052	140,904	-	232,391	-	-	-

Number of Years Expected Benefit Payments Sustained: 28.61

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 4.50% 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, 2026

Valuation Date: 10/1/2024

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	6.50%	4.50%
Minimum Required Contribution (Fixed \$)	\$227,501	\$402,312
Minimum Required Contribution (% of Payroll)	31.37%	55.48%
Expected Member Contribution	36,259	36,259
Expected State Money	50,513	50,513
Expected Sponsor Contribution (Fixed \$)	\$140,729	\$315,540
Expected Sponsor Contribution (% of Payroll)	19.40%	43.51%

ASSETS

Actuarial Value ¹	5,107,726	5,107,726
Market Value ¹	5,331,881	5,331,881

LIABILITIES

Present Value of Benefits		
Actives		
Retirement Benefits	2,588,849	4,041,540
Disability Benefits	268,463	363,910
Death Benefits	22,593	36,053
Vested Benefits	0	0
Refund of Contributions	39,199	40,821
Service Retirees	3,096,594	3,681,690
Beneficiaries	18,066	18,289
Disability Retirees	184,336	222,286
Terminated Vested	140,173	222,543
Share Plan Balances ¹	0	0
Total:	6,358,273	8,627,132
Present Value of Future Salaries	4,687,582	5,204,554
Present Value of Future Member Contributions	234,379	260,228
Total Normal Cost	182,701	274,250
Present Value of Future Normal Costs (Entry Age Normal)	1,161,356	2,025,928
Total Actuarial Accrued Liability (EAN) ¹	5,196,917	6,601,204
Unfunded Actuarial Accrued Liability (UAAL)	89,191	1,493,478

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2026

	Valuation Date: 10/1/2024	
	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	6.50%	4.50%
<u>PENSION COST</u>		
Normal Cost (with interest)	188,639	280,421
Administrative Expenses (with interest)	28,929	28,648
Payment Required To Amortize UAAL (with interest)	9,933	93,243
Minimum Required Contribution	\$227,501	\$402,312

¹ The asset values and liabilities include accumulated Share Plan Balances as of 9/30/2024.