

CITY OF CAPE CORAL  
MUNICIPAL FIREFIGHTERS' RETIREMENT PLAN

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



May 22, 2024

VIA E-MAIL

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

Re: City of Cape Coral Municipal Firefighters' Retirement Plan  
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: 

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:	6.75%	4.75%	8.75%
<u>Total Pension Liability</u>			
Service Cost	7,764,764	12,993,700	4,863,805
Interest	21,193,520	20,249,591	21,348,321
Change in Excess State Money	484,270	484,270	484,270
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	2,224,932	2,969,199	1,731,109
Changes of Assumptions	(762,849)	(1,020,288)	(597,718)
Contributions - Buy Back	20,470	20,470	20,470
Benefit Payments, Including Refunds of Employee Contributions	(13,304,028)	(13,304,028)	(13,304,028)
Net Change in Total Pension Liability	17,621,079	22,392,914	14,546,229
Total Pension Liability - Beginning	302,520,937	399,519,252	239,860,882
Total Pension Liability - Ending (a)	\$ 320,142,016	\$ 421,912,166	\$ 254,407,111
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	9,798,159	9,798,159	9,798,159
Contributions - State	2,283,482	2,283,482	2,283,482
Contributions - Member Repayments	228	228	228
Contributions - Employee	2,485,907	2,485,907	2,485,907
Contributions - Buy Back	20,470	20,470	20,470
Net Investment Income	20,875,015	20,875,015	20,875,015
Benefit Payments, Including Refunds of Employee Contributions	(13,304,028)	(13,304,028)	(13,304,028)
Administrative Expenses	(172,422)	(172,422)	(172,422)
Net Change in Plan Fiduciary Net Position	21,986,811	21,986,811	21,986,811
Plan Fiduciary Net Position - Beginning	223,878,593	223,878,593	223,878,593
Plan Fiduciary Net Position - Ending (b)	\$ 245,865,404	\$ 245,865,404	\$ 245,865,404
Net Pension Liability - Ending (a) - (b)	\$ 74,276,612	\$ 176,046,762	\$ 8,541,707

## 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	244,369,932	-	35,363,550	-	15,301,451	224,307,833
2024	224,307,833	-	12,842,950	-	14,707,329	226,172,212
2025	226,172,212	-	13,386,088	-	14,814,844	227,600,968
2026	227,600,968	-	13,951,467	-	14,892,203	228,541,704
2027	228,541,704	-	14,722,799	-	14,929,671	228,748,576
2028	228,748,576	-	15,535,079	-	14,916,220	228,129,717
2029	228,129,717	-	16,380,315	-	14,845,920	226,595,322
2030	226,595,322	-	17,765,595	-	14,695,595	223,525,322
2031	223,525,322	-	18,684,586	-	14,457,354	219,298,090
2032	219,298,090	-	19,534,298	-	14,143,339	213,907,131
2033	213,907,131	-	20,574,170	-	13,744,353	207,077,314
2034	207,077,314	-	21,535,665	-	13,250,890	198,792,539
2035	198,792,539	-	22,105,000	-	12,672,453	189,359,992
2036	189,359,992	-	22,571,074	-	12,020,026	178,808,944
2037	178,808,944	-	23,101,876	-	11,289,915	166,996,983
2038	166,996,983	-	23,574,611	-	10,476,653	153,899,025
2039	153,899,025	-	23,969,981	-	9,579,197	139,508,241
2040	139,508,241	-	24,372,321	-	8,594,240	123,730,160
2041	123,730,160	-	24,701,069	-	7,518,125	106,547,216
2042	106,547,216	-	24,955,910	-	6,349,675	87,940,981
2043	87,940,981	-	25,170,648	-	5,086,507	67,856,840
2044	67,856,840	-	25,314,394	-	3,725,976	46,268,422
2045	46,268,422	-	25,408,061	-	2,265,596	23,125,957
2046	23,125,957	-	25,450,722	-	-	-

\*All DROP Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 23.91

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	244,369,932	-	35,363,550	-	10,767,687	219,774,069
2024	219,774,069	-	12,842,950	-	10,134,248	217,065,367
2025	217,065,367	-	13,386,088	-	9,992,685	213,671,964
2026	213,671,964	-	13,951,467	-	9,818,071	209,538,568
2027	209,538,568	-	14,722,799	-	9,603,416	204,419,185
2028	204,419,185	-	15,535,079	-	9,340,953	198,225,059
2029	198,225,059	-	16,380,315	-	9,026,658	190,871,402
2030	190,871,402	-	17,765,595	-	8,644,459	181,750,266
2031	181,750,266	-	18,684,586	-	8,189,379	171,255,059
2032	171,255,059	-	19,534,298	-	7,670,676	159,391,437
2033	159,391,437	-	20,574,170	-	7,082,457	145,899,724
2034	145,899,724	-	21,535,665	-	6,418,765	130,782,824
2035	130,782,824	-	22,105,000	-	5,687,190	114,365,014
2036	114,365,014	-	22,571,074	-	4,896,275	96,690,215
2037	96,690,215	-	23,101,876	-	4,044,116	77,632,455
2038	77,632,455	-	23,574,611	-	3,127,645	57,185,489
2039	57,185,489	-	23,969,981	-	2,147,024	35,362,532
2040	35,362,532	-	24,372,321	-	1,100,878	12,091,089
2041	12,091,089	-	24,701,069	-	-	-

\*All DROP Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 18.49

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	244,369,932	-	35,363,550	-	19,835,214	228,841,596
2024	228,841,596	-	12,842,950	-	19,461,761	235,460,407
2025	235,460,407	-	13,386,088	-	20,017,144	242,091,463
2026	242,091,463	-	13,951,467	-	20,572,626	248,712,622
2027	248,712,622	-	14,722,799	-	21,118,232	255,108,055
2028	255,108,055	-	15,535,079	-	21,642,295	261,215,271
2029	261,215,271	-	16,380,315	-	22,139,697	266,974,653
2030	266,974,653	-	17,765,595	-	22,583,037	271,792,095
2031	271,792,095	-	18,684,586	-	22,964,358	276,071,867
2032	276,071,867	-	19,534,298	-	23,301,663	279,839,232
2033	279,839,232	-	20,574,170	-	23,585,813	282,850,875
2034	282,850,875	-	21,535,665	-	23,807,266	285,122,476
2035	285,122,476	-	22,105,000	-	23,981,123	286,998,599
2036	286,998,599	-	22,571,074	-	24,124,893	288,552,418
2037	288,552,418	-	23,101,876	-	24,237,630	289,688,172
2038	289,688,172	-	23,574,611	-	24,316,326	290,429,887
2039	290,429,887	-	23,969,981	-	24,363,928	290,823,834
2040	290,823,834	-	24,372,321	-	24,380,796	290,832,309
2041	290,832,309	-	24,701,069	-	24,367,155	290,498,395
2042	290,498,395	-	24,955,910	-	24,326,789	289,869,274
2043	289,869,274	-	25,170,648	-	24,262,346	288,960,972
2044	288,960,972	-	25,314,394	-	24,176,580	287,823,158
2045	287,823,158	-	25,408,061	-	24,072,924	286,488,021
2046	286,488,021	-	25,450,722	-	23,954,233	284,991,532
2047	284,991,532	-	25,435,517	-	23,823,955	283,379,970
2048	283,379,970	-	25,354,466	-	23,686,489	281,711,993
2049	281,711,993	-	25,210,460	-	23,546,842	280,048,375
2050	280,048,375	-	25,005,139	-	23,410,258	278,453,494
2051	278,453,494	-	24,741,758	-	23,282,229	276,993,965
2052	276,993,965	-	24,420,366	-	23,168,581	275,742,180
2053	275,742,180	-	24,038,799	-	23,075,743	274,779,124
2054	274,779,124	-	23,599,508	-	23,010,695	274,190,311
2055	274,190,311	-	23,104,514	-	22,980,830	274,066,627
2056	274,066,627	-	22,556,679	-	22,993,975	274,503,923
2057	274,503,923	-	21,959,787	-	23,058,353	275,602,489
2058	275,602,489	-	21,318,861	-	23,182,518	277,466,146
2059	277,466,146	-	20,639,401	-	23,375,314	280,202,059
2060	280,202,059	-	19,927,451	-	23,645,854	283,920,462
2061	283,920,462	-	19,189,896	-	24,003,482	288,734,048
2062	288,734,048	-	18,433,887	-	24,457,747	294,757,908
2063	294,757,908	-	17,666,006	-	25,018,429	302,110,331
2064	302,110,331	-	16,891,928	-	25,695,632	310,914,035
2065	310,914,035	-	16,116,606	-	26,499,877	321,297,306
2066	321,297,306	-	15,343,967	-	27,442,216	333,395,555
2067	333,395,555	-	14,576,594	-	28,534,385	347,353,346
2068	347,353,346	-	13,816,347	-	29,788,953	363,325,952
2069	363,325,952	-	13,064,022	-	31,219,470	381,481,400
2070	381,481,400	-	12,319,353	-	32,840,651	402,002,698
2071	402,002,698	-	11,581,772	-	34,668,534	425,089,460

## 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	425,089,460	-	10,850,551	-	36,720,616	450,959,525
2073	450,959,525	-	10,125,146	-	39,015,983	479,850,362
2074	479,850,362	-	9,405,808	-	41,575,403	512,019,957
2075	512,019,957	-	8,692,983	-	44,421,428	547,748,402
2076	547,748,402	-	7,987,888	-	47,578,515	587,339,029
2077	587,339,029	-	7,292,877	-	51,073,102	631,119,254
2078	631,119,254	-	6,611,456	-	54,933,684	679,441,482
2079	679,441,482	-	5,948,236	-	59,190,894	732,684,140
2080	732,684,140	-	5,308,226	-	63,877,627	791,253,541
2081	791,253,541	-	4,696,237	-	69,029,224	855,586,528
2082	855,586,528	-	4,116,377	-	74,683,730	926,153,881
2083	926,153,881	-	3,572,947	-	80,882,148	1,003,463,082
2084	1,003,463,082	-	3,070,043	-	87,668,705	1,088,061,744
2085	1,088,061,744	-	2,610,861	-	95,091,177	1,180,542,060
2086	1,180,542,060	-	2,197,313	-	103,201,298	1,281,546,045
2087	1,281,546,045	-	1,829,735	-	112,055,228	1,391,771,538
2088	1,391,771,538	-	1,507,369	-	121,714,062	1,511,978,231
2089	1,511,978,231	-	1,228,632	-	132,244,343	1,642,993,942
2090	1,642,993,942	-	991,036	-	143,718,612	1,785,721,518
2091	1,785,721,518	-	791,153	-	156,216,020	1,941,146,385
2092	1,941,146,385	-	625,184	-	169,822,957	2,110,344,158
2093	2,110,344,158	-	489,177	-	184,633,712	2,294,488,693
2094	2,294,488,693	-	379,085	-	200,751,176	2,494,860,784
2095	2,494,860,784	-	290,995	-	218,287,588	2,712,857,377
2096	2,712,857,377	-	221,340	-	237,365,337	2,950,001,374
2097	2,950,001,374	-	166,871	-	258,117,820	3,207,952,323
2098	3,207,952,323	-	124,666	-	280,690,374	3,488,518,031
2099	3,488,518,031	-	92,214	-	305,241,293	3,793,667,110
2100	3,793,667,110	-	67,487	-	331,942,920	4,125,542,543
2101	4,125,542,543	-	48,858	-	360,982,835	4,486,476,520
2102	4,486,476,520	-	34,975	-	392,565,165	4,879,006,710
2103	4,879,006,710	-	24,715	-	426,912,006	5,305,894,001
2104	5,305,894,001	-	17,207	-	464,264,972	5,770,141,766
2105	5,770,141,766	-	11,784	-	504,886,889	6,275,016,871
2106	6,275,016,871	-	7,937	-	549,063,629	6,824,072,563
2107	6,824,072,563	-	5,254	-	597,106,119	7,421,173,428
2108	7,421,173,428	-	3,409	-	649,352,526	8,070,522,545
2109	8,070,522,545	-	2,164	-	706,170,628	8,776,691,009
2110	8,776,691,009	-	1,341	-	767,960,405	9,544,650,073
2111	9,544,650,073	-	814	-	835,156,846	10,379,806,105
2112	10,379,806,105	-	481	-	908,233,013	11,288,038,637
2113	11,288,038,637	-	278	-	987,703,369	12,275,741,728
2114	12,275,741,728	-	157	-	1,074,127,394	13,349,868,965
2115	13,349,868,965	-	87	-	1,168,113,531	14,517,982,409
2116	14,517,982,409	-	45	-	1,270,323,459	15,788,305,823
2117	15,788,305,823	-	23	-	1,381,476,759	17,169,782,559
2118	17,169,782,559	-	11	-	1,502,355,973	18,672,138,521
2119	18,672,138,521	-	6	-	1,633,812,120	20,305,950,635
2120	20,305,950,635	-	3	-	1,776,770,680	22,082,721,312

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	22,082,721,312	-	1	-	1,932,238,115	24,014,959,426

\*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 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

	ACTUAL	HYPOTHETICAL	HYPOTHETICAL
Investment Rate of Return:	6.75%	4.75%	8.75%
Minimum Required Contribution (Fixed \$)	\$16,644,324	\$28,760,179	\$7,582,275
Minimum Required Contribution (% of Payroll)	58.8%	101.5%	26.7%
Expected Member Contribution	2,927,796	2,899,474	2,956,118
Expected State Money	1,949,165	1,949,165	1,949,165
Expected Sponsor Contribution (Fixed \$)	\$11,767,363	\$23,911,540	\$2,676,992
Expected Sponsor Contribution (% of Payroll)	39.2%	79.6%	8.9%

**ASSETS**

Actuarial Value <sup>1</sup>	259,463,490	259,463,490	259,463,490
Market Value <sup>1</sup>	244,369,932	244,369,932	244,369,932

**LIABILITIES**

Present Value of Benefits			
Actives			
Retirement Benefits	185,414,395	308,877,107	119,492,466
Disability Benefits	7,873,917	11,691,670	5,592,114
Death Benefits	1,480,380	2,603,195	914,701
Vested Benefits	2,031,212	3,864,139	1,151,378
Refund of Contributions	429,412	455,198	406,355
Service Retirees	163,418,179	208,785,742	132,543,086
DROP Retirees <sup>1</sup>	30,941,384	33,897,106	29,104,986
Beneficiaries	3,372,087	4,449,105	2,695,783
Disability Retirees	12,733,899	16,456,165	10,329,518
Terminated Vested	1,826,089	2,767,344	1,275,410
Share Plan Balances <sup>1</sup>	0	0	0
Excess Benefits Reserve <sup>1</sup>	1,353,380	1,353,380	1,353,380
Total:	410,874,334	595,200,151	304,859,177
Present Value of Future Salaries	287,196,400	329,093,224	254,088,910
Present Value of Future Member Contributions	28,719,640	32,909,322	25,408,891
Total Normal Cost	8,542,607	14,300,303	5,348,872
Present Value of Future Normal Costs (Entry Age Normal)	86,900,046	167,533,774	47,925,090
Total Actuarial Accrued Liability (EAN) <sup>1</sup>	323,974,288	427,666,377	256,934,087
Unfunded Actuarial Accrued Liability (UAAL)	64,510,798	168,202,887	(2,529,403)

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:	6.75%	4.75%	8.75%
<b><u>PENSION COST</u></b>			
Normal Cost <sup>2</sup>	9,360,775	15,518,331	5,917,858
Administrative Expenses <sup>2</sup>	208,517	206,500	210,534
Payment Required To Amortize UAAL <sup>2</sup>	7,075,032	13,035,348	1,453,883
Minimum Required Contribution	\$16,644,324	\$28,760,179	\$7,582,275

<sup>1</sup> The asset values and liabilities include the Extra Benefits Reserve, in addition to accumulated DROP and 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.