

May 2, 2024

VIA EMAIL

Board of Trustees
City of Cape Coral
General Employees' Pension Board

Re: City of Cape Coral Municipal General Employees' Retirement Plan

Dear Board:

We have reviewed the proposed Ordinance providing for the following changes. We have determined that the adoption of the proposed changes will have no impact on the assumptions used in determining the funding requirements of the program.

1. Extension of maximum permissible DROP participation period while employed from 60 months to 96 months, for current and future DROP participants.
2. Change to interest crediting on DROP accounts under the fixed-interest-rate option from 6.5% per year for all years, to the following: 6.5% per year for the first 180 months (including months following termination of employment) and 2.0% per year thereafter.
3. Extension of maximum permissible BAC-DROP period from 60 months to 96 months, and clarification that BAC-DROP balances are treated in the same manner as DROP balances for a member who participated in DROP during the BAC-DROP participation period.

Because the above changes do not result in an immediate change in the valuation results, it is our opinion that a formal Actuarial Impact Statement is not required in support of its adoption. However, since the Division of Retirement must be aware of the current provisions of all public pension programs, it is recommended that you send a copy of this letter and a copy of the fully executed Ordinance to the following office:

Mr. Keith Brinkman
Bureau of Local Retirement Systems
Division of Retirement
P. O. Box 9000
Tallahassee, FL 32315-9000

If you have any questions, please let me know.

Sincerely,



Douglas H. Lozen, EA, MAAA

Cc via email: Mark Floyd, Plan Attorney