

# Town of Longboat Key Consolidated Retirement System

## Pension Update October 1, 2023 Valuation



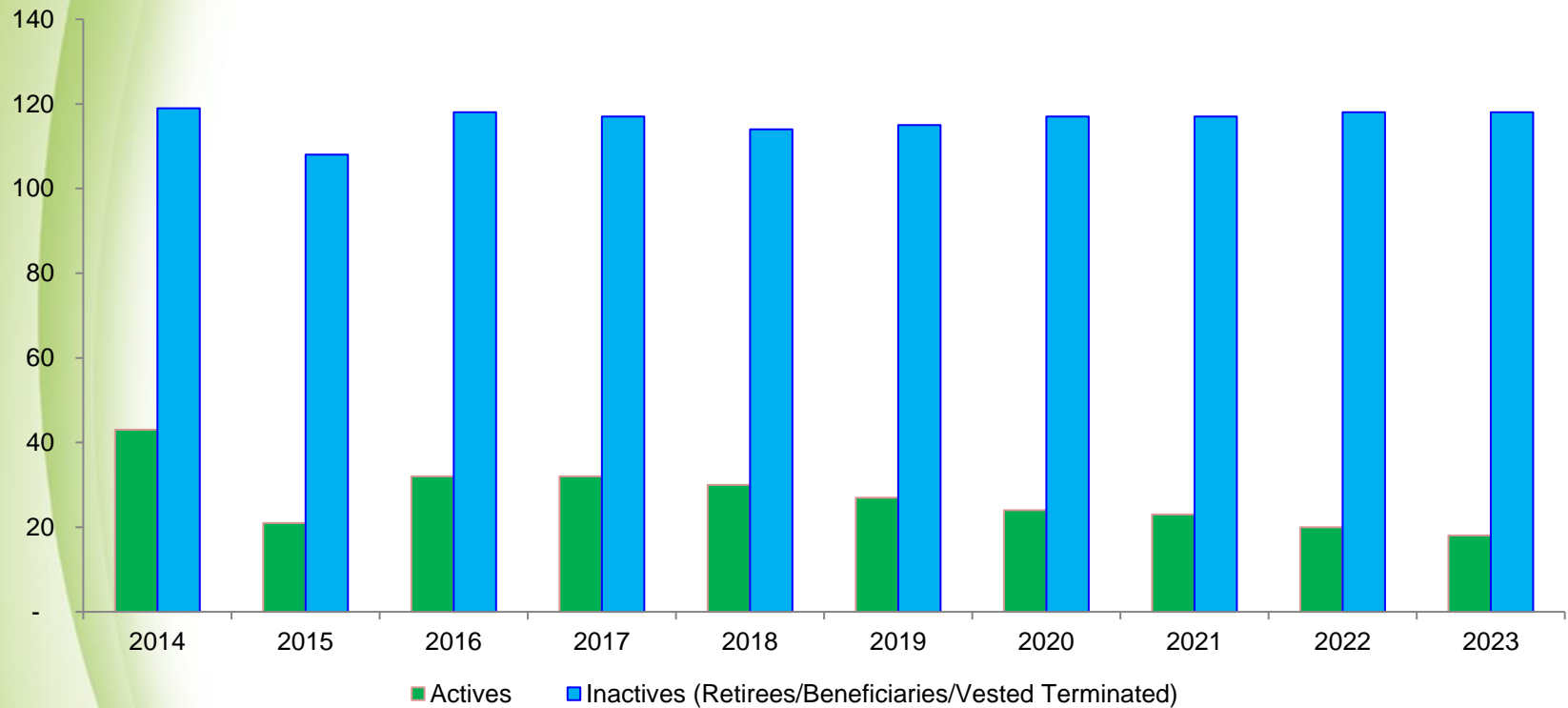
**FOSTER & FOSTER**  
ACTUARIES AND CONSULTANTS

# Retirement Eligibility

	<b>Fire</b>	<b>General</b>	<b>Police</b>
<b>Early Retirement Date</b>	<b>None</b>	<b>Age 50 with 15 Years of Service</b>	<b>None</b>
<b>Normal Retirement Benefit</b>	<b>3.50%</b>	<b>2.75%</b>	<b>3.50%</b>
<b>Normal Retirement Date (earlier of)</b>	<b>Age 60 or Age 55 w/10 or 25 years</b>	<b>Age 62 or Age 55 w/30</b>	<b>Age 60 or Age 55 w/10 or 25 years</b>
<b>Employee contributions</b>	<b>None</b>	<b>None</b>	<b>None</b>

# MEMBERSHIP

**Town of Longboat Key  
Partial History of Plan Participation  
(Combined Police, Fire, General)**



# PARTICIPANT DATA

## Number of Participants as of October 1, 2023 Valuation

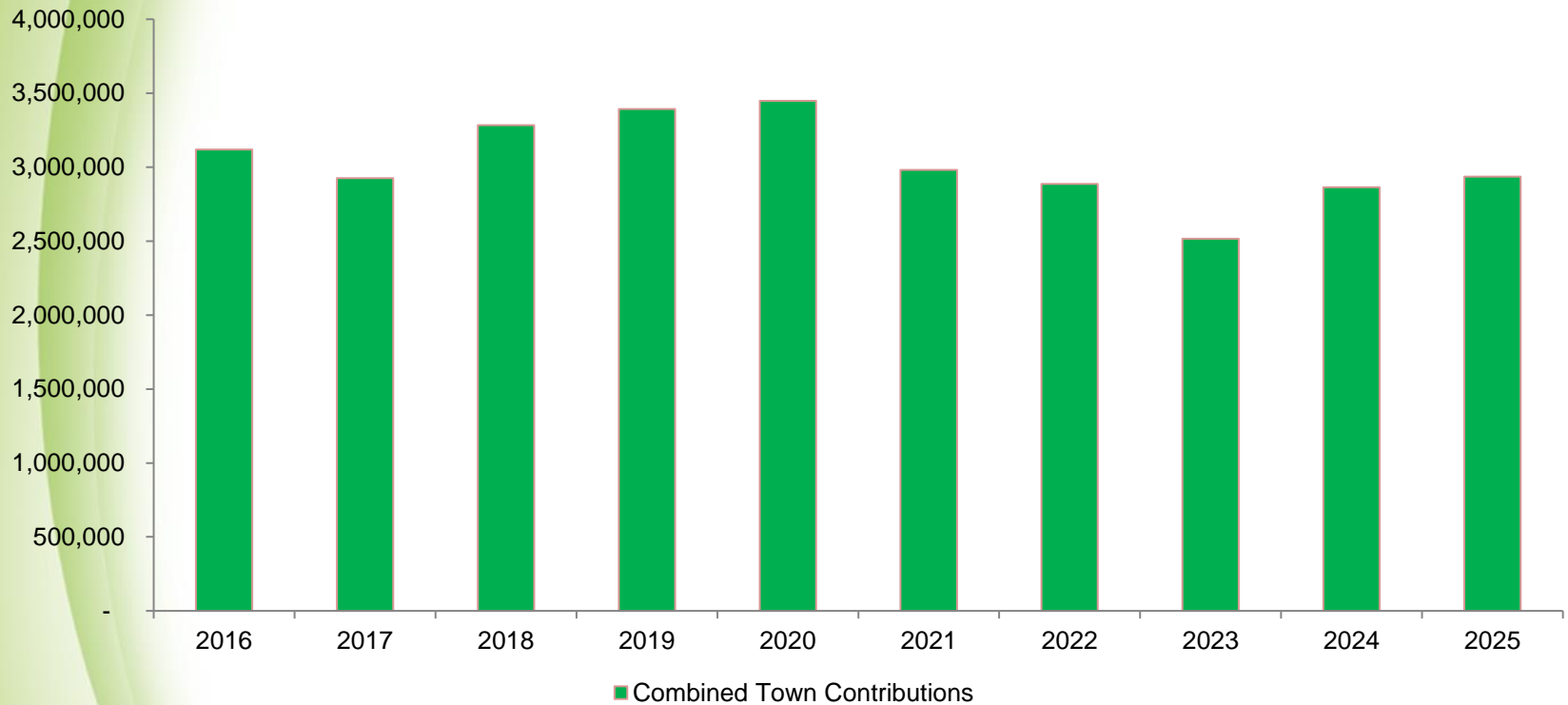
	<u>FIRE</u>	<u>GENERAL</u>	<u>POLICE</u>	<u>TOTAL</u>
Active	3	13	2	18
Retirees and terminated employees with vested benefits	<u>42</u>	<u>55</u>	<u>21</u>	<u>118</u>
Total	45	68	23	136

# MINIMUM REQUIRED CONTRIBUTION

Valuation Date	10/1/2023	10/01/2022	Increase
Fiscal Year Budget	<u>09/30/2025</u>	<u>09/30/2024</u>	<u>(Decrease)</u>
Police Officers	\$558,094	\$538,787	\$19,307
Firefighters	1,964,553	1,904,613	59,940
General Employees	<u>413,030</u>	<u>420,663</u>	<u>(7,633)</u>
Minimum Req. Contribution	\$2,935,677	\$2,864,063	\$71,614

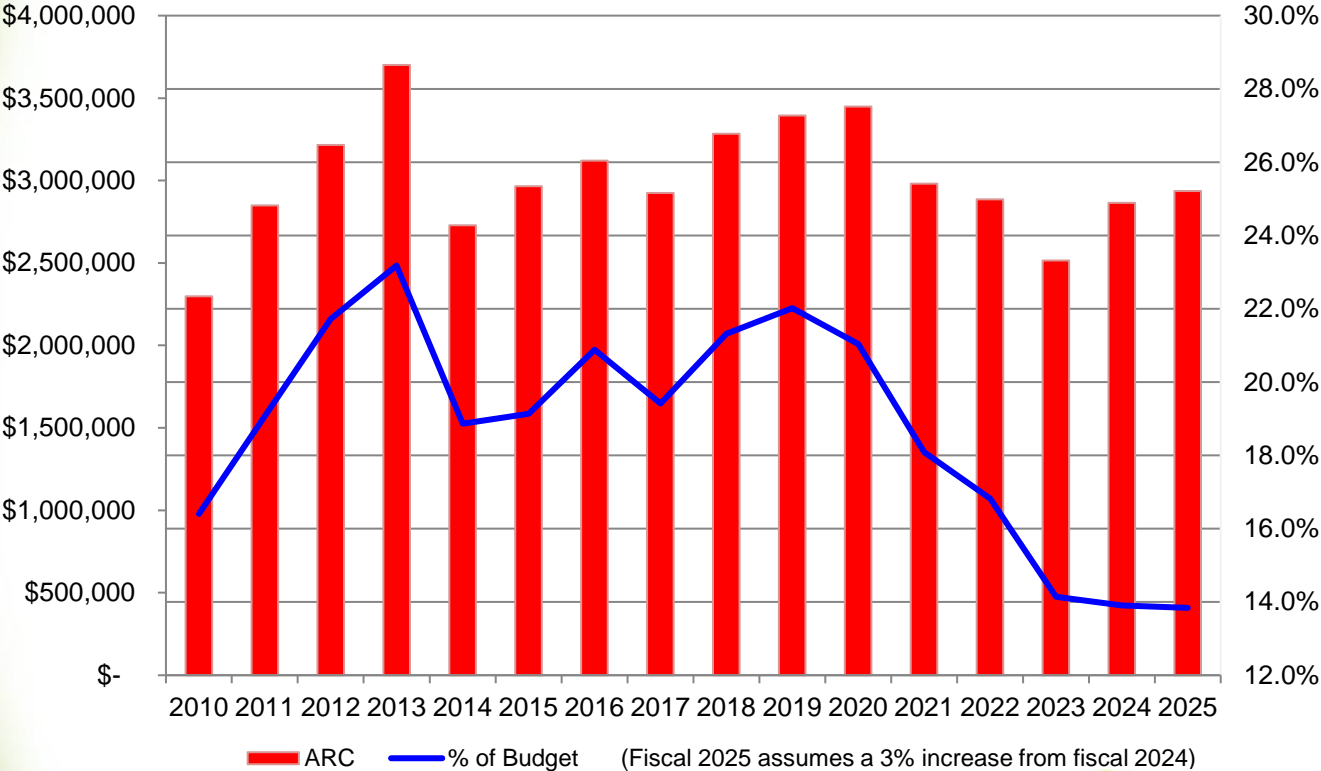
# Town Contributions

**Town of Longboat Key  
Partial History of Town's Required/Actual  
Pension Contributions (Combined Police, Fire, General)**



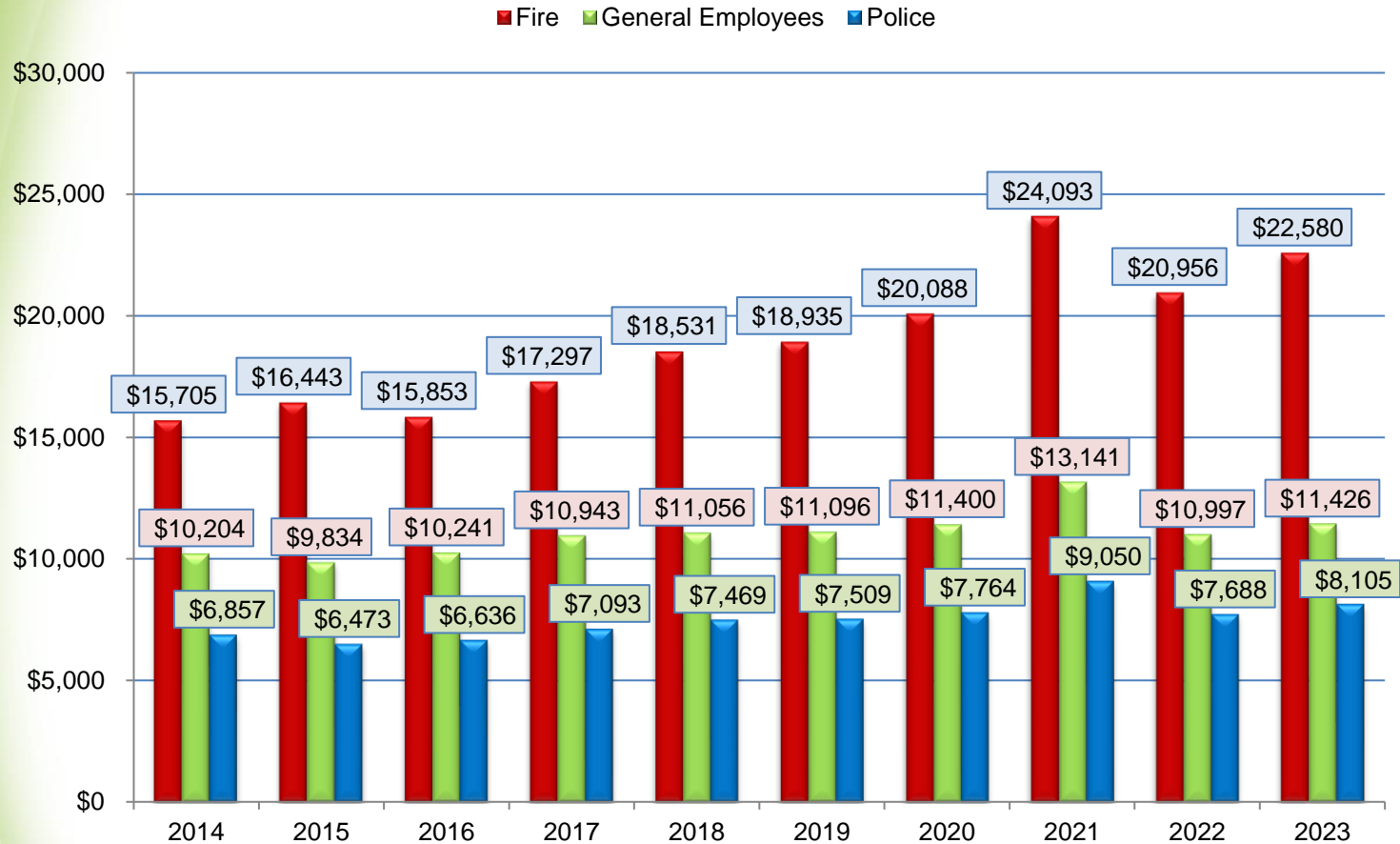
# History of Annual Contributions and ARC as a Percentage of General Fund Budget

**Town of Longboat Key  
Annual Required Contribution and Percentage of General Fund  
Budget  
(includes state subsidy in early years)**



# Plan Fiduciary Net Position 2014-2023

Town of Longboat Key  
Defined Benefit Pension Plans  
Net Position (in thousands)





# Net Pension Liability

Measurement Date	Net Pension Liability as of September 30, 2023 (millions)			
	General Employees'	Police Officers'	Firefighters'	Total
Total pension liability	\$14.17	\$11.96	\$33.42	\$59.55
Plan fiduciary net position	<u>(11.43)</u>	<u>(8.11)</u>	<u>(22.58)</u>	<u>(42.12)</u>
Town's net pension liability	\$2.74	\$3.85	\$10.84	\$17.43
Plan fiduciary net position as a percentage of Total pension liability	80.7%	67.8%	67.6%	70.7%

Total Pension liability = a measure that takes into account future benefits promised by an employer and earned by the worker.

Fiduciary net position = Cash, investments (At Market) and prepaid expenses less any liabilities for administrative expenses.

Net Pension liability = Difference between the two.

# Change in Net Pension Liability

Measurement Date	Net Pension Liability as of September 30, 2022 (millions)			
	General Employees'	Police Officers'	Firefighters'	Total
Total pension liability	\$14.46	\$12.18	\$33.39	\$60.03
Plan fiduciary net position	<u>(11.00)</u>	<u>(7.69)</u>	<u>(20.96)</u>	<u>(39.65)</u>
Town's net pension liability	\$3.46	\$4.49	\$12.43	\$20.38
Plan fiduciary net position as a percentage of Total pension liability	76.0%	63.1%	62.8%	66.1%

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	General Employees'	Police Officers'	Firefighters'	Total
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Plan fiduciary net position	<u>(11.43)</u>	<u>(8.11)</u>	<u>(22.58)</u>	<u>(42.12)</u>
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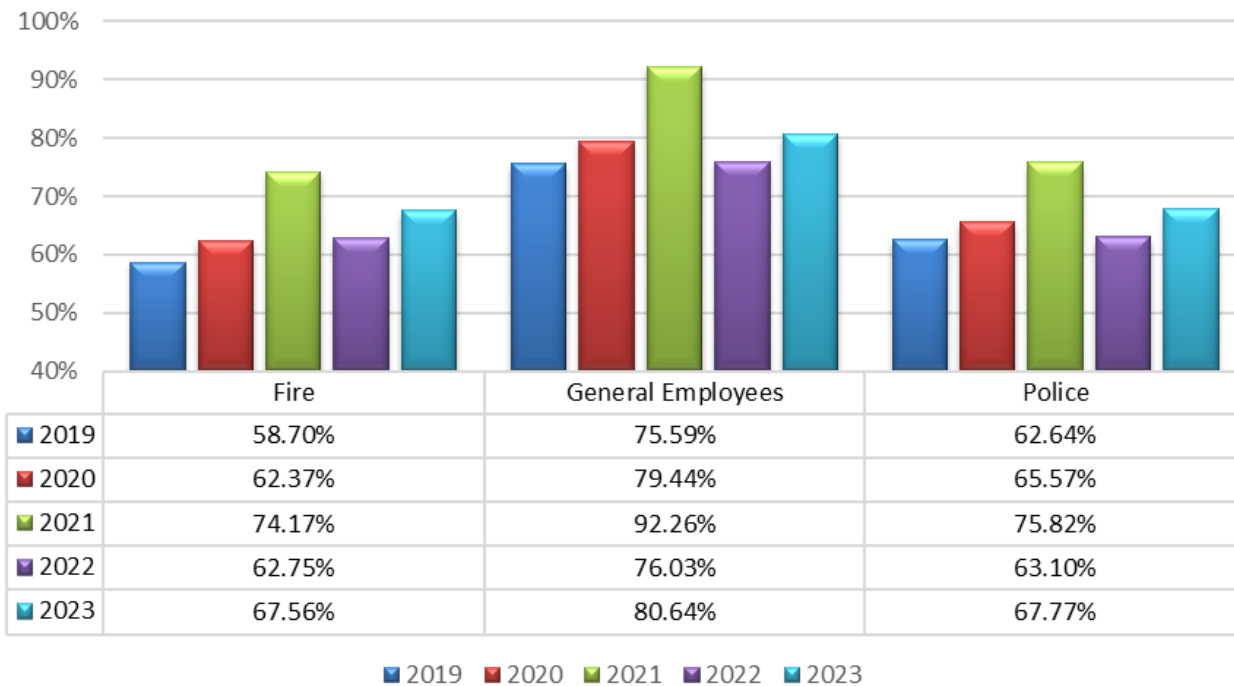
*The Net Pension Liability decreased \$2.95 million from 2022 to 2023 and the funding ratio increased from 66.1% to 70.7%. Total pension liability decreased by \$0.48 million during the last fiscal year.*

# Funding Ratio Partial History

<u>Oct. 1</u>	<u>Fire</u>	<u>General Employees</u>	<u>Police</u>	<u>Consolidated</u>
2009	44.11%	63.69%	45.03%	
2010	45.05%	53.28%	44.62%	
2011	43.80%	53.28%	45.46%	
2012	46.02%	59.84%	47.99%	
2013	52.99%	63.43%	55.54%	58.39%
2014	54.82%	68.40%	61.41%	59.92%
2015	53.39%	65.62%	54.59%	56.81%
2016	51.78%	67.75%	55.14%	56.66%
2017	55.16%	71.53%	58.04%	60.01%
2018	58.25%	74.10%	61.19%	62.87%
2019	58.70%	75.59%	62.64%	63.71%
2020	62.37%	79.44%	65.57%	67.21%
2021	74.17%	92.26%	75.82%	78.90%
2022	62.75%	76.03%	63.10%	66.02%
2023	67.56%	80.64%	67.77%	70.72%

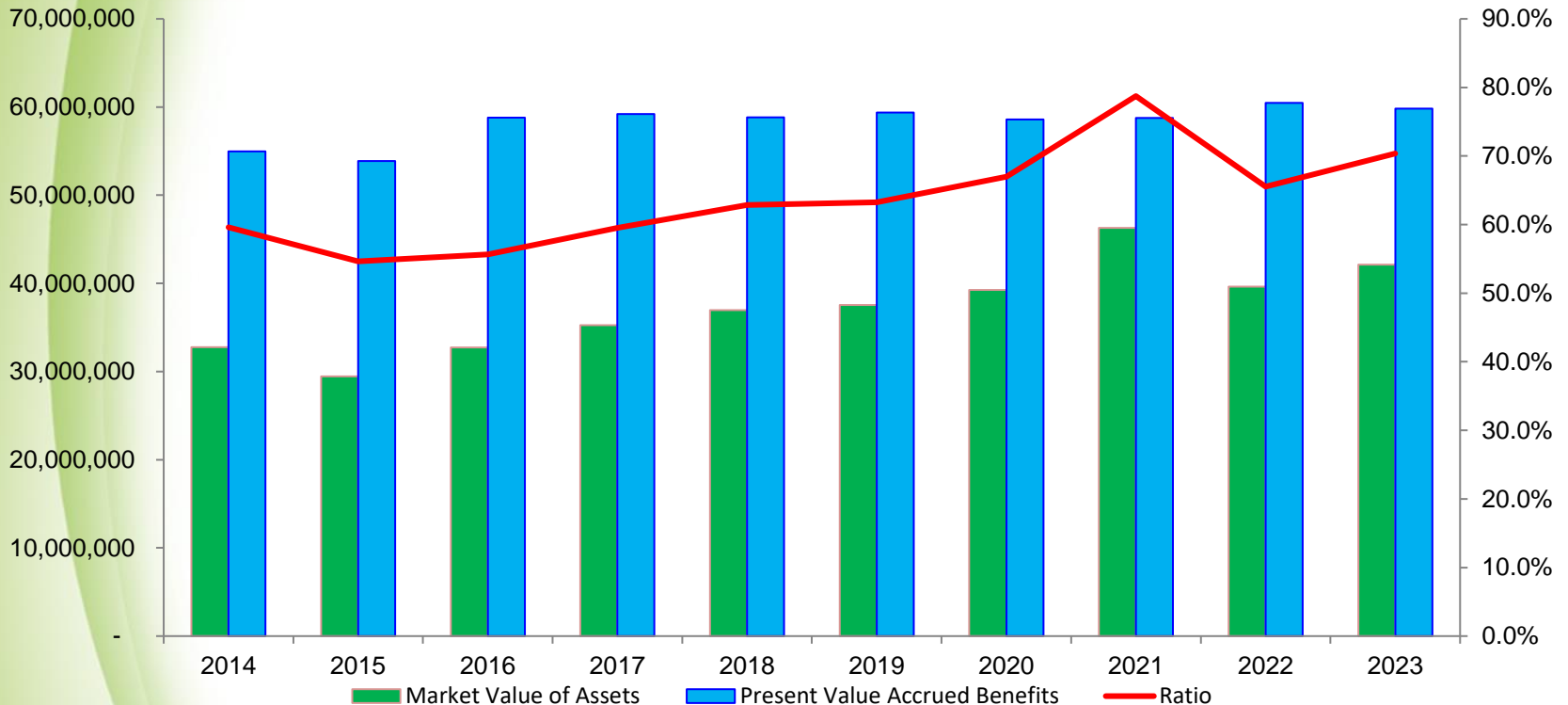
# Funding Ratio – Last Five Years

**Town of Longboat Key  
Consolidated Retirement System  
Funding Percentages by Employee Group**



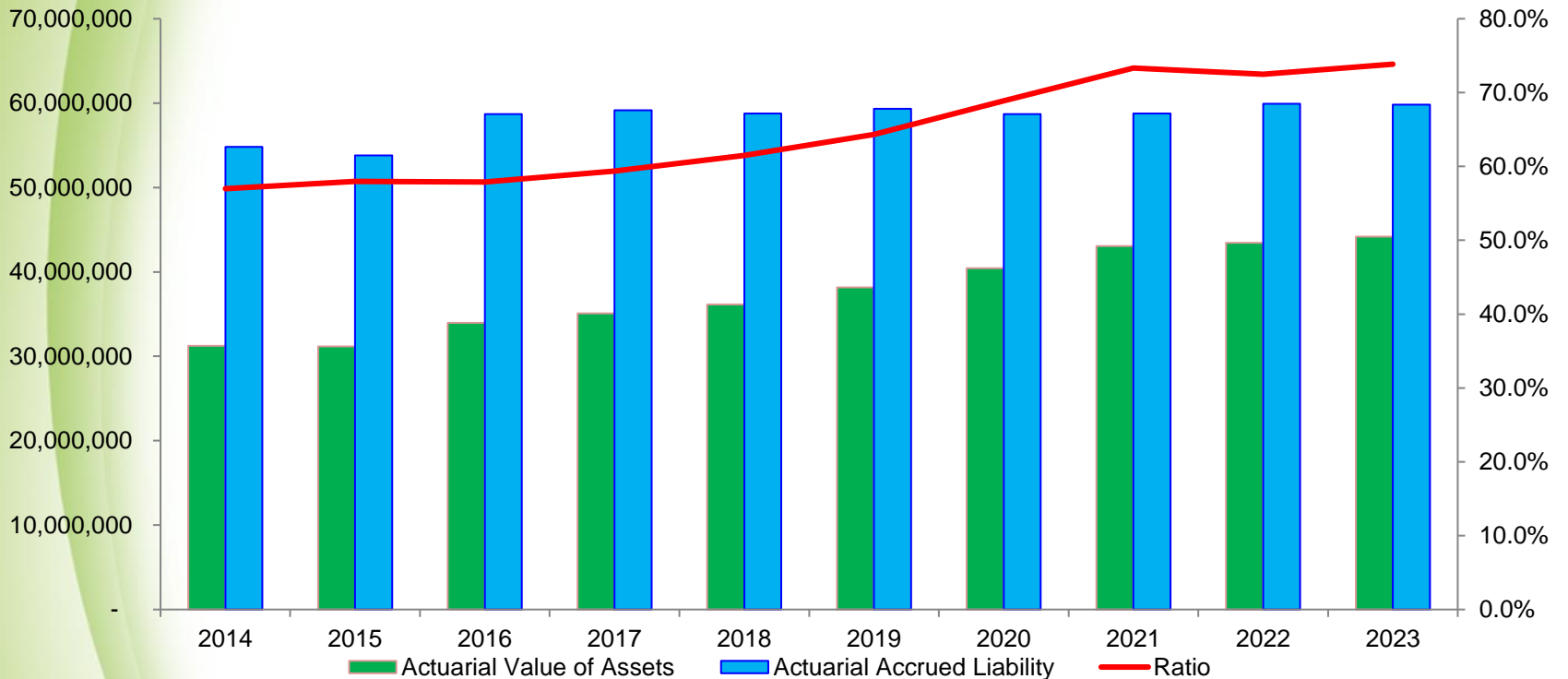
# Ratio of Market Assets to Value of Accrued Benefits

**Town of Longboat Key  
Ratio of Market Value of Assets to  
Present Value of Accrued Benefits (Combined Police, Fire, General)**



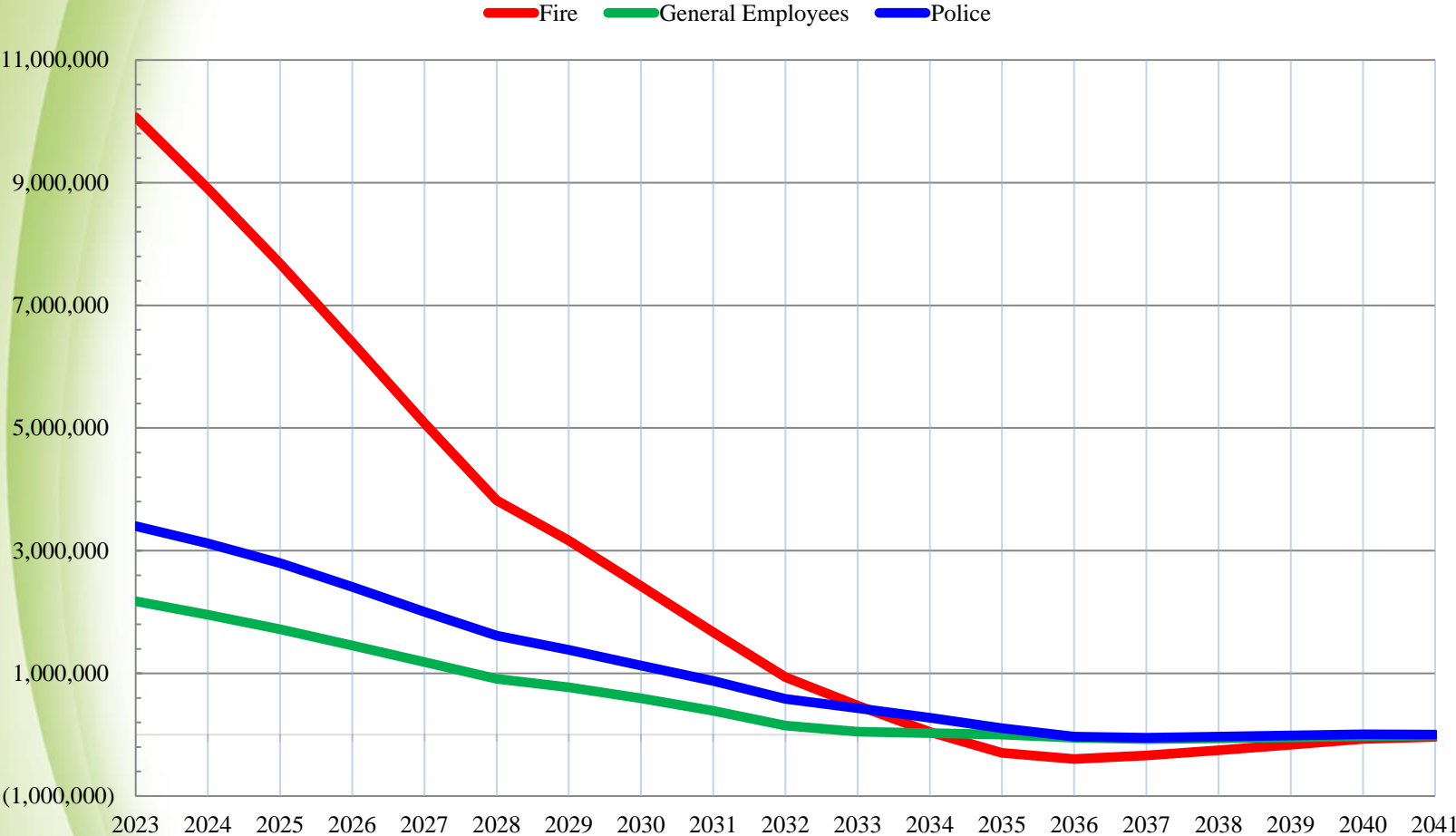
# Ratio of Actuarial Assets to Accrued Liability

**Town of Longboat Key  
Ratio of Actuarial Value of Assets to  
Actuarial Accrued Liability (Combined Police, Fire, General)**



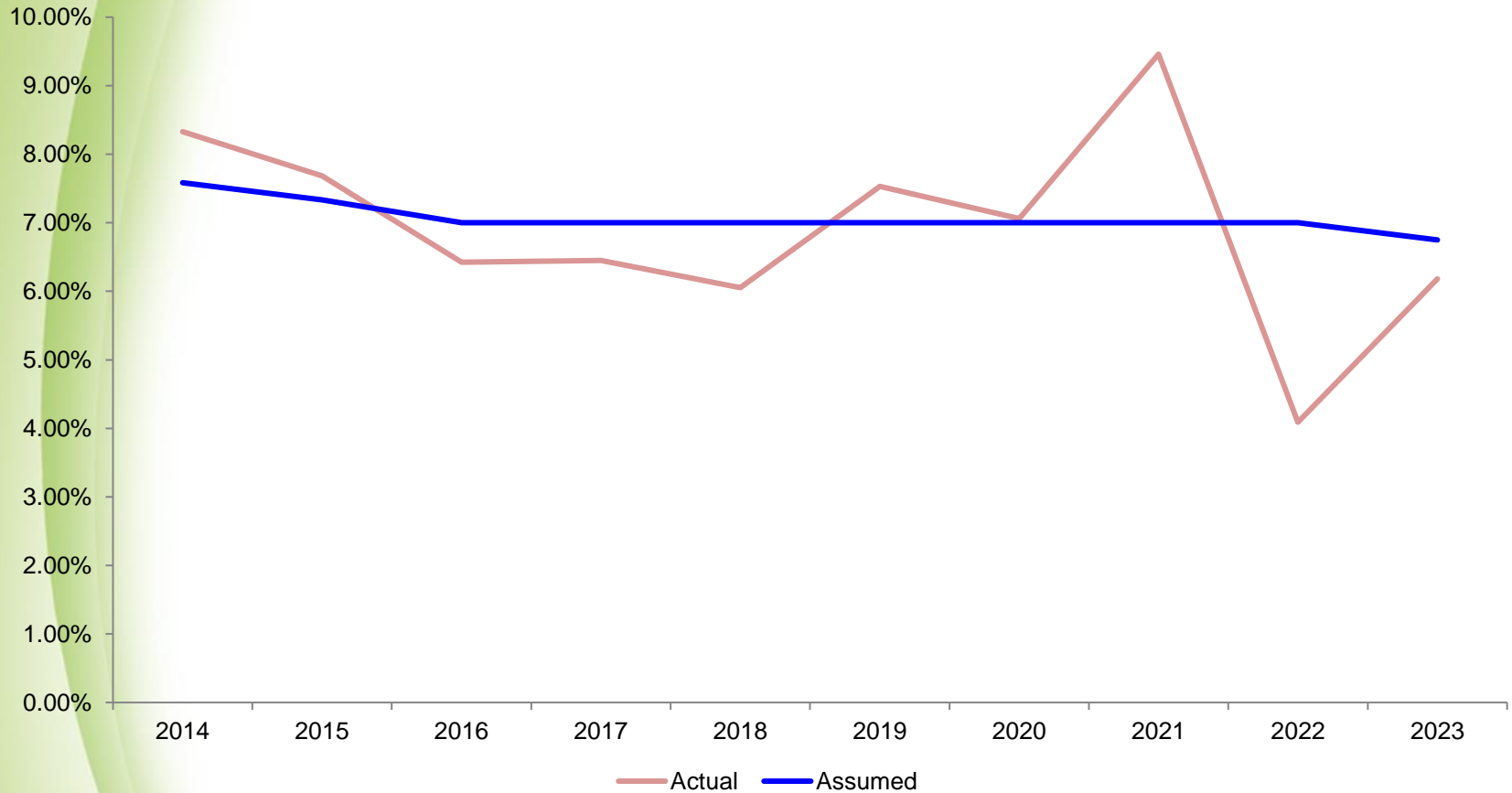
# Future Outlook – Forecasted Amortization of the UAAL

**Town of Longboat Key**  
**Forecasted Amortization of Unfunded Actuarial Accrued Liability**



# Investment Return Performance – Actuarial Asset Basis

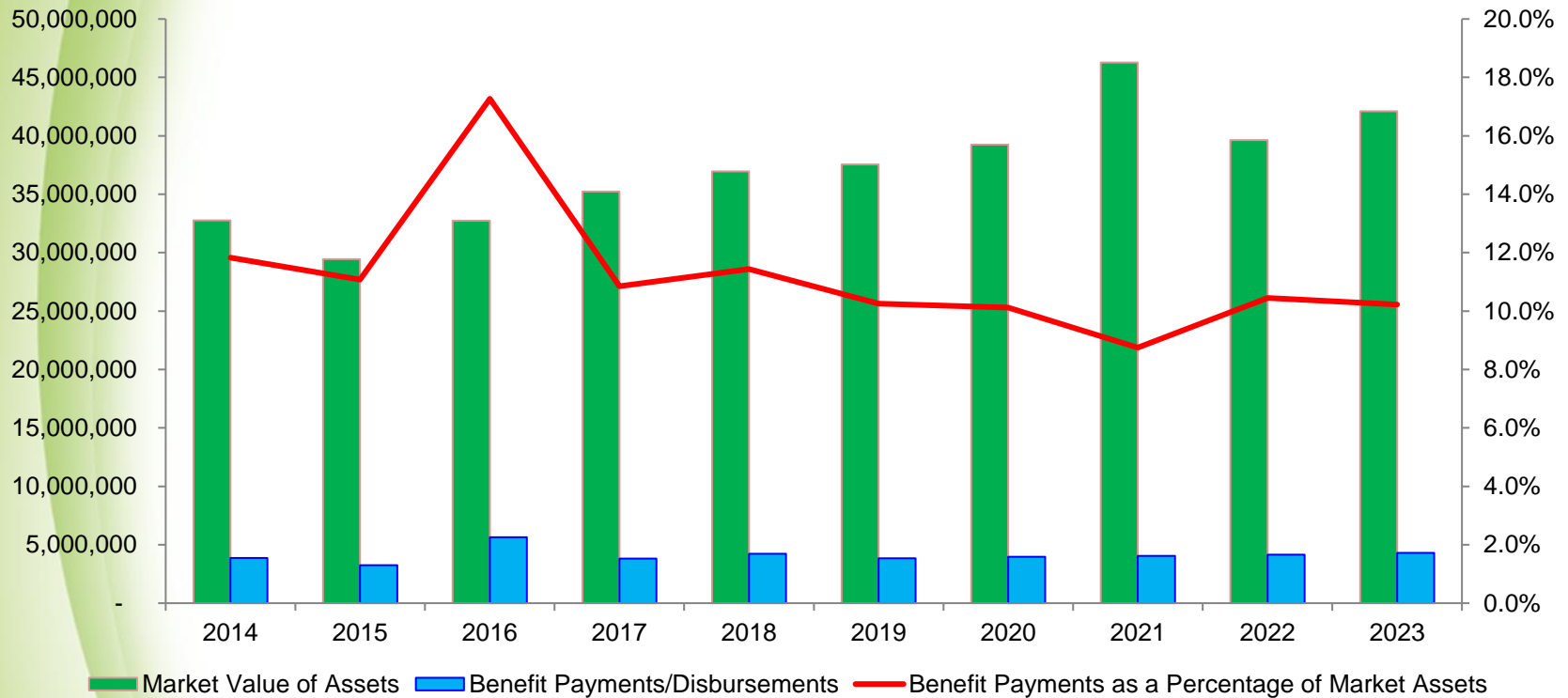
**Town of Longboat Key  
Partial History of Investment Return  
Actuarial Value of Assets (Combined Police, Fire, General)**





# Benefit Payments and Disbursements

**Town of Longboat Key  
Partial History of Benefit Payments  
Including DROP Disbursements and Refunds (Combined Police, Fire, General)**



## Commentary from the Actuary

- The investment return assumption was lowered from 7.00% to 6.75% in conjunction with the October 1, 2022 valuation. The Board should continue discussing future reductions as recommended by the Plan's Investment Consultant.
- The Board should consider consolidation of the UAAL with all future changes amortized over 15 years.

# ADDITIONAL QUESTIONS

