

**TOWN OF MEDLEY
DEFINED BENEFIT PLAN**

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



May 27, 2025

Mr. Greg Abend
Plan Administrator
Town of Medley
2503 Del Prado Blvd S. Suite 502
Cape Coral, FL 33904

Re: Town of Medley Defined Benefit Plan
Section 112.664, Florida Statutes Compliance

Dear Greg:

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.



Sara E. Carlson, ASA, EA, MAAA
Enrolled Actuary #23-8546

Enclosures

cc via email: Pedro Herrera, Board Attorney
cc via email: Jessica A. De la Torre Vila, Paralegal / Legal Assistant

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

	ACTUAL	HYPOTHETICAL
Discount Rate:	6.50%	4.50%
<u>Total Pension Liability</u>		
Service Cost	838,038	1,297,978
Interest	2,098,044	1,858,132
Changes of Benefit Terms	-	-
Experience Gains/Losses	1,092,046	1,383,170
Changes of Assumptions	-	-
Benefit Payments	(1,532,622)	(1,532,622)
Net Change in Total Pension Liability	2,495,506	3,006,658
Total Pension Liability - Beginning	32,205,876	40,760,157
Total Pension Liability - Ending (a)	<u>\$ 34,701,382</u>	<u>\$ 43,766,815</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	1,272,881	1,272,881
Net Investment Income	6,543,338	6,543,338
Benefit Payments	(1,532,622)	(1,532,622)
Administrative Expense	(45,057)	(45,057)
Net Change in Plan Fiduciary Net Position	6,238,540	6,238,540
Plan Fiduciary Net Position - Beginning	27,903,011	27,903,011
Plan Fiduciary Net Position - Ending (b)	<u>\$ 34,141,551</u>	<u>\$ 34,141,551</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 559,831</u>	<u>\$ 9,625,264</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	34,141,551	-	2,524,121	-	2,137,167	33,754,597
2025	33,754,597	-	2,128,080	-	2,124,886	33,751,403
2026	33,751,403	-	2,140,138	-	2,124,287	33,735,552
2027	33,735,552	-	2,153,075	-	2,122,836	33,705,313
2028	33,705,313	-	2,163,099	-	2,120,545	33,662,759
2029	33,662,759	-	2,184,780	-	2,117,074	33,595,053
2030	33,595,053	-	2,175,662	-	2,112,969	33,532,360
2031	33,532,360	-	2,212,259	-	2,107,705	33,427,806
2032	33,427,806	-	2,246,446	-	2,099,798	33,281,158
2033	33,281,158	-	2,229,235	-	2,090,825	33,142,748
2034	33,142,748	-	2,206,842	-	2,082,556	33,018,462
2035	33,018,462	-	2,233,732	-	2,073,604	32,858,334
2036	32,858,334	-	2,248,673	-	2,062,710	32,672,371
2037	32,672,371	-	2,239,193	-	2,050,930	32,484,108
2038	32,484,108	-	2,277,086	-	2,037,462	32,244,484
2039	32,244,484	-	2,245,595	-	2,022,910	32,021,799
2040	32,021,799	-	2,257,575	-	2,008,046	31,772,270
2041	31,772,270	-	2,235,955	-	1,992,529	31,528,844
2042	31,528,844	-	2,225,101	-	1,977,059	31,280,802
2043	31,280,802	-	2,195,583	-	1,961,896	31,047,115
2044	31,047,115	-	2,038,266	-	1,951,819	30,960,668
2045	30,960,668	-	2,018,761	-	1,946,834	30,888,741
2046	30,888,741	-	1,984,951	-	1,943,257	30,847,047
2047	30,847,047	-	1,954,519	-	1,941,536	30,834,064
2048	30,834,064	-	1,897,960	-	1,942,530	30,878,634
2049	30,878,634	-	1,847,239	-	1,947,076	30,978,471
2050	30,978,471	-	1,779,331	-	1,955,772	31,154,912
2051	31,154,912	-	1,702,370	-	1,969,742	31,422,284
2052	31,422,284	-	1,626,033	-	1,989,602	31,785,853
2053	31,785,853	-	1,552,215	-	2,015,633	32,249,271
2054	32,249,271	-	1,473,730	-	2,048,306	32,823,847
2055	32,823,847	-	1,384,566	-	2,088,552	33,527,833
2056	33,527,833	-	1,306,505	-	2,136,848	34,358,176
2057	34,358,176	-	1,227,904	-	2,193,375	35,323,647
2058	35,323,647	-	1,148,913	-	2,258,697	36,433,431
2059	36,433,431	-	1,083,332	-	2,332,965	37,683,064
2060	37,683,064	-	1,011,039	-	2,416,540	39,088,565
2061	39,088,565	-	940,558	-	2,510,189	40,658,196
2062	40,658,196	-	869,551	-	2,614,522	42,403,167
2063	42,403,167	-	810,413	-	2,729,867	44,322,621
2064	44,322,621	-	757,344	-	2,856,357	46,421,634
2065	46,421,634	-	701,428	-	2,994,610	48,714,816
2066	48,714,816	-	646,179	-	3,145,462	51,214,099
2067	51,214,099	-	587,329	-	3,309,828	53,936,598
2068	53,936,598	-	541,830	-	3,488,269	56,883,037
2069	56,883,037	-	496,319	-	3,681,267	60,067,985
2070	60,067,985	-	456,457	-	3,889,584	63,501,112
2071	63,501,112	-	416,053	-	4,114,051	67,199,110
2072	67,199,110	-	379,632	-	4,355,604	71,175,082
2073	71,175,082	-	346,043	-	4,615,134	75,444,173
2074	75,444,173	-	316,954	-	4,893,570	80,020,789
2075	80,020,789	-	290,480	-	5,191,911	84,922,220
2076	84,922,220	-	264,517	-	5,511,347	90,169,050

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
2077	90,169,050	-	240,794	-	5,853,162	95,781,418
2078	95,781,418	-	218,180	-	6,218,701	101,781,939
2079	101,781,939	-	196,619	-	6,609,436	108,194,756
2080	108,194,756	-	176,869	-	7,026,911	115,044,798
2081	115,044,798	-	158,272	-	7,472,768	122,359,294
2082	122,359,294	-	140,792	-	7,948,778	130,167,280
2083	130,167,280	-	124,452	-	8,456,829	138,499,657
2084	138,499,657	-	108,371	-	8,998,956	147,390,242
2085	147,390,242	-	94,303	-	9,577,301	156,873,240
2086	156,873,240	-	81,420	-	10,194,114	166,985,934
2087	166,985,934	-	69,729	-	10,851,820	177,768,025
2088	177,768,025	-	59,231	-	11,552,997	189,261,791
2089	189,261,791	-	49,921	-	12,300,394	201,512,264
2090	201,512,264	-	41,751	-	13,096,940	214,567,453
2091	214,567,453	-	34,648	-	13,945,758	228,478,563
2092	228,478,563	-	28,539	-	14,850,179	243,300,203
2093	243,300,203	-	23,337	-	15,813,755	259,090,621
2094	259,090,621	-	18,948	-	16,840,275	275,911,948
2095	275,911,948	-	15,273	-	17,933,780	293,830,455
2096	293,830,455	-	12,219	-	19,098,582	312,916,818
2097	312,916,818	-	9,706	-	20,339,278	333,246,390
2098	333,246,390	-	7,651	-	21,660,767	354,899,506
2099	354,899,506	-	5,979	-	23,068,274	377,961,801
2100	377,961,801	-	4,625	-	24,567,367	402,524,543
2101	402,524,543	-	3,538	-	26,163,980	428,684,985
2102	428,684,985	-	2,676	-	27,864,437	456,546,746
2103	456,546,746	-	1,998	-	29,675,474	486,220,222
2104	486,220,222	-	1,468	-	31,604,267	517,823,021
2105	517,823,021	-	1,061	-	33,658,462	551,480,422
2106	551,480,422	-	754	-	35,846,203	587,325,871
2107	587,325,871	-	526	-	38,176,165	625,501,510
2108	625,501,510	-	359	-	40,657,586	666,158,737
2109	666,158,737	-	239	-	43,300,310	709,458,808
2110	709,458,808	-	156	-	46,114,817	755,573,469
2111	755,573,469	-	99	-	49,112,272	804,685,642
2112	804,685,642	-	61	-	52,304,565	856,990,146
2113	856,990,146	-	36	-	55,704,358	912,694,468
2114	912,694,468	-	21	-	59,325,140	972,019,587
2115	972,019,587	-	12	-	63,181,273	1,035,200,848
2116	1,035,200,848	-	7	-	67,288,055	1,102,488,896
2117	1,102,488,896	-	3	-	71,661,778	1,174,150,671
2118	1,174,150,671	-	2	-	76,319,794	1,250,470,463
2119	1,250,470,463	-	1	-	81,280,580	1,331,751,042
2120	1,331,751,042	-	-	-	86,563,818	1,418,314,860

*All DROP Balances paid in 2024.

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	34,141,551	-	2,524,121	-	1,479,577	33,097,007
2025	33,097,007	-	2,128,080	-	1,441,484	32,410,411
2026	32,410,411	-	2,140,138	-	1,410,315	31,680,588
2027	31,680,588	-	2,153,075	-	1,377,182	30,904,695
2028	30,904,695	-	2,163,099	-	1,342,042	30,083,638
2029	30,083,638	-	2,184,780	-	1,304,606	29,203,464
2030	29,203,464	-	2,175,662	-	1,265,203	28,293,005
2031	28,293,005	-	2,212,259	-	1,223,409	27,304,155
2032	27,304,155	-	2,246,446	-	1,178,142	26,235,851
2033	26,235,851	-	2,229,235	-	1,130,456	25,137,072
2034	25,137,072	-	2,206,842	-	1,081,514	24,011,744
2035	24,011,744	-	2,233,732	-	1,030,270	22,808,282
2036	22,808,282	-	2,248,673	-	975,778	21,535,387
2037	21,535,387	-	2,239,193	-	918,711	20,214,905
2038	20,214,905	-	2,277,086	-	858,436	18,796,255
2039	18,796,255	-	2,245,595	-	795,306	17,345,966
2040	17,345,966	-	2,257,575	-	729,773	15,818,164
2041	15,818,164	-	2,235,955	-	661,508	14,243,717
2042	14,243,717	-	2,225,101	-	590,902	12,609,518
2043	12,609,518	-	2,195,583	-	518,028	10,931,963
2044	10,931,963	-	2,038,266	-	446,077	9,339,774
2045	9,339,774	-	2,018,761	-	374,868	7,695,881
2046	7,695,881	-	1,984,951	-	301,653	6,012,583
2047	6,012,583	-	1,954,519	-	226,590	4,284,654
2048	4,284,654	-	1,897,960	-	150,105	2,536,799
2049	2,536,799	-	1,847,239	-	72,593	762,153
2050	762,153	-	1,779,331	-	-	-

*All DROP Balances paid in 2024.

Number of Years Expected Benefit Payments Sustained: 26.43

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

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Investment Rate of Return:	6.50%	4.50%
Minimum Required Contribution (Fixed \$)	\$1,335,242	\$2,377,611
Minimum Required Contribution (% of Payroll)	34.3%	61.1%

ASSETS

Actuarial Value ¹	31,491,741	31,491,741
Market Value ¹	34,141,551	34,141,551

LIABILITIES

Present Value of Benefits

Actives

Retirement Benefits	20,045,636	30,917,025
Disability Benefits	1,151,752	1,774,875
Death Benefits	230,659	352,231
Vested Benefits	901,592	1,629,791
Refund of Contributions	0	0

Service Retirees	16,261,805	19,372,815
DROP Retirees ¹	2,570,408	3,098,778
Beneficiaries	500,761	598,752
Disability Retirees	181,560	241,629
Terminated Vested	1,273,077	1,843,340

Total:	<u>43,117,250</u>	<u>59,829,236</u>
--------	-------------------	-------------------

Present Value of Future Salaries	41,046,427	47,784,908
----------------------------------	------------	------------

Present Value of Future Total Normal Cost	823,631	1,288,615
--	---------	-----------

Present Value of Future Normal Costs (Entry Age Normal)	8,542,216	16,072,645
--	-----------	------------

Total Actuarial Accrued Liability (EAN) ¹	34,575,034	43,756,591
--	------------	------------

Unfunded Actuarial Accrued Liability (UAAL)	3,083,293	12,264,850
--	-----------	------------

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 ²	902,954	1,399,037
Administrative Expenses ²	49,927	49,443
Payment Required To Amortize UAAL ²	382,361	929,131
Minimum Required Contribution	\$1,335,242	\$2,377,611

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

² Contributions developed as of 10/1/2024 displayed above have been adjusted to account for assumed salary increase and interest components.