

CITY OF CAPE CORAL  
MUNICIPAL GENERAL EMPLOYEES' RETIREMENT PLAN

SECTION 112.664, FLORIDA STATUTES COMPLIANCE  
DETERMINED AS OF THE  
OCTOBER 1, 2020 VALUATION DATE



August 20, 2021

VIA E-MAIL

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

Re: City of Cape Coral Municipal General Employees' Retirement Plan  
Section 112.664, Florida Statutes Compliance

Dear Ferrell:

Please find enclosed the annual disclosures that satisfy the October 1, 2020 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.

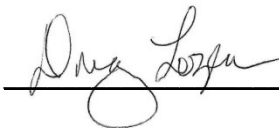
In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should 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 #20-7778

Enclosures

cc via email: Mark Floyd, 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, 2020 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, 2020

	ACTUAL	HYPOTHETICAL	
Discount Rate:	7.15%	5.15%	9.15%
<u>Total Pension Liability</u>			
Service Cost	9,702,591	14,976,747	6,599,985
Interest	28,657,931	26,894,949	29,375,755
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual			
Experience	5,174,809	7,540,218	3,494,925
Changes of Assumptions	10,824,849	15,550,171	7,826,683
Contributions - Buy Back	649,585	649,585	649,585
Benefit Payments, Including Refunds of			
Employee Contributions	(18,156,986)	(18,156,986)	(18,156,986)
Net Change in Total Pension Liability	36,852,779	47,454,684	29,789,947
Total Pension Liability - Beginning	386,645,243	492,156,366	314,986,543
Total Pension Liability - Ending (a)	<u>\$ 423,498,022</u>	<u>\$ 539,611,050</u>	<u>\$ 344,776,490</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	18,959,393	18,959,393	18,959,393
Contributions - Employee	5,289,062	5,289,062	5,289,062
Contributions - Buy Back	649,585	649,585	649,585
Net Investment Income	22,790,669	22,790,669	22,790,669
Benefit Payments, Including Refunds of			
Employee Contributions	(18,156,986)	(18,156,986)	(18,156,986)
Administrative Expenses	(308,499)	(308,499)	(308,499)
Net Change in Plan Fiduciary Net Position	29,223,224	29,223,224	29,223,224
Plan Fiduciary Net Position - Beginning	311,737,664	311,737,664	311,737,664
Plan Fiduciary Net Position - Ending (b)	<u>\$ 340,960,888</u>	<u>\$ 340,960,888</u>	<u>\$ 340,960,888</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 82,537,134</u>	<u>\$ 198,650,162</u>	<u>\$ 3,815,602</u>

## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1  
Plan Assumptions: Discount Rate = 7.15%

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
2020	340,960,499	-	42,458,218	-	22,860,794	321,363,075
2021	321,363,075	-	21,964,796	-	22,192,218	321,590,497
2022	321,590,497	-	22,760,008	-	22,180,050	321,010,539
2023	321,010,539	-	23,758,520	-	22,102,886	319,354,905
2024	319,354,905	-	24,551,102	-	21,956,174	316,759,977
2025	316,759,977	-	25,553,796	-	21,734,790	312,940,971
2026	312,940,971	-	26,339,903	-	21,433,628	308,034,696
2027	308,034,696	-	27,138,456	-	21,054,281	301,950,521
2028	301,950,521	-	27,903,389	-	20,591,916	294,639,048
2029	294,639,048	-	28,410,012	-	20,051,034	286,280,070
2030	286,280,070	-	28,872,296	-	19,436,840	276,844,614
2031	276,844,614	-	29,457,996	-	18,741,267	266,127,885
2032	266,127,885	-	29,958,412	-	17,957,131	254,126,604
2033	254,126,604	-	30,231,869	-	17,089,263	240,983,998
2034	240,983,998	-	30,414,553	-	16,143,036	226,712,481
2035	226,712,481	-	30,495,320	-	15,119,735	211,336,896
2036	211,336,896	-	30,512,164	-	14,019,778	194,844,510
2037	194,844,510	-	30,494,794	-	12,841,194	177,190,910
2038	177,190,910	-	30,437,090	-	11,581,024	158,334,844
2039	158,334,844	-	30,282,371	-	10,238,347	138,290,820
2040	138,290,820	-	30,006,108	-	8,815,075	117,099,787
2041	117,099,787	-	29,689,916	-	7,311,220	94,721,091
2042	94,721,091	-	29,286,871	-	5,725,552	71,159,772
2043	71,159,772	-	28,865,409	-	4,055,985	46,350,348
2044	46,350,348	-	28,328,421	-	2,301,309	20,323,236
2045	20,323,236	-	27,709,598	-	-	-

\*All DROP Balances paid in 2020.

Number of Years Expected Benefit Payments Sustained: 25.73

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.15% 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 = 5.15%

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
2020	340,960,499	-	42,458,218	-	16,466,167	314,968,448
2021	314,968,448	-	21,964,796	-	15,655,282	308,658,934
2022	308,658,934	-	22,760,008	-	15,309,865	301,208,791
2023	301,208,791	-	23,758,520	-	14,900,471	292,350,742
2024	292,350,742	-	24,551,102	-	14,423,872	282,223,512
2025	282,223,512	-	25,553,796	-	13,876,501	270,546,217
2026	270,546,217	-	26,339,903	-	13,254,878	257,461,192
2027	257,461,192	-	27,138,456	-	12,560,436	242,883,172
2028	242,883,172	-	27,903,389	-	11,789,971	226,769,754
2029	226,769,754	-	28,410,012	-	10,947,085	209,306,827
2030	209,306,827	-	28,872,296	-	10,035,840	190,470,371
2031	190,470,371	-	29,457,996	-	9,050,681	170,063,056
2032	170,063,056	-	29,958,412	-	7,986,818	148,091,462
2033	148,091,462	-	30,231,869	-	6,848,240	124,707,833
2034	124,707,833	-	30,414,553	-	5,639,279	99,932,559
2035	99,932,559	-	30,495,320	-	4,361,272	73,798,511
2036	73,798,511	-	30,512,164	-	3,014,935	46,301,282
2037	46,301,282	-	30,494,794	-	1,599,275	17,405,763
2038	17,405,763	-	30,437,090	-	-	-

\*All DROP Balances paid in 2020.

Number of Years Expected Benefit Payments Sustained: 18.57

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.15% 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 = 9.15%

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
2020	340,960,499	-	42,458,218	-	29,255,422	327,757,703
2021	327,757,703	-	21,964,796	-	28,984,940	334,777,847
2022	334,777,847	-	22,760,008	-	29,590,903	341,608,742
2023	341,608,742	-	23,758,520	-	30,170,248	348,020,470
2024	348,020,470	-	24,551,102	-	30,720,660	354,190,028
2025	354,190,028	-	25,553,796	-	31,239,301	359,875,533
2026	359,875,533	-	26,339,903	-	31,723,561	365,259,191
2027	365,259,191	-	27,138,456	-	32,179,632	370,300,367
2028	370,300,367	-	27,903,389	-	32,605,904	375,002,882
2029	375,002,882	-	28,410,012	-	33,013,006	379,605,876
2030	379,605,876	-	28,872,296	-	33,413,030	384,146,610
2031	384,146,610	-	29,457,996	-	33,801,711	388,490,325
2032	388,490,325	-	29,958,412	-	34,176,267	392,708,180
2033	392,708,180	-	30,231,869	-	34,549,690	397,026,001
2034	397,026,001	-	30,414,553	-	34,936,413	401,547,861
2035	401,547,861	-	30,495,320	-	35,346,468	406,399,009
2036	406,399,009	-	30,512,164	-	35,789,578	411,676,423
2037	411,676,423	-	30,494,794	-	36,273,256	417,454,885
2038	417,454,885	-	30,437,090	-	36,804,625	423,822,420
2039	423,822,420	-	30,282,371	-	37,394,333	430,934,382
2040	430,934,382	-	30,006,108	-	38,057,717	438,985,991
2041	438,985,991	-	29,689,916	-	38,808,905	448,104,980
2042	448,104,980	-	29,286,871	-	39,661,731	458,479,840
2043	458,479,840	-	28,865,409	-	40,630,313	470,244,744
2044	470,244,744	-	28,328,421	-	41,731,369	483,647,692
2045	483,647,692	-	27,709,598	-	42,986,050	498,924,144
2046	498,924,144	-	26,996,301	-	44,416,478	516,344,321
2047	516,344,321	-	26,257,223	-	46,044,237	536,131,335
2048	536,131,335	-	25,377,795	-	47,894,983	558,648,523
2049	558,648,523	-	24,454,306	-	49,997,555	584,191,772
2050	584,191,772	-	23,497,628	-	52,378,531	613,072,675
2051	613,072,675	-	22,478,547	-	55,067,756	645,661,884
2052	645,661,884	-	21,445,028	-	58,096,952	682,313,808
2053	682,313,808	-	20,374,502	-	61,499,580	723,438,886
2054	723,438,886	-	19,306,774	-	65,311,373	769,443,485
2055	769,443,485	-	18,219,835	-	69,570,521	820,794,171
2056	820,794,171	-	17,105,177	-	74,320,105	878,009,099
2057	878,009,099	-	16,026,547	-	79,604,618	941,587,170
2058	941,587,170	-	14,956,729	-	85,470,956	1,012,101,397
2059	1,012,101,397	-	13,910,661	-	91,970,865	1,090,161,601
2060	1,090,161,601	-	12,882,399	-	99,160,417	1,176,439,619
2061	1,176,439,619	-	11,892,196	-	107,100,157	1,271,647,580
2062	1,271,647,580	-	10,942,820	-	115,855,120	1,376,559,880
2063	1,376,559,880	-	10,039,263	-	125,495,933	1,492,016,550
2064	1,492,016,550	-	9,182,736	-	136,099,404	1,618,933,218
2065	1,618,933,218	-	8,376,863	-	147,749,148	1,758,305,503
2066	1,758,305,503	-	7,623,815	-	160,536,164	1,911,217,852
2067	1,911,217,852	-	6,918,934	-	174,559,892	2,078,858,810
2068	2,078,858,810	-	6,264,412	-	189,928,984	2,262,523,382
2069	2,262,523,382	-	5,657,705	-	206,762,049	2,463,627,726

## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3  
Hypothetical Assumptions: Discount Rate = 9.15%

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
2070	2,463,627,726	-	5,097,307	-	225,188,735	2,683,719,154
2071	2,683,719,154	-	4,580,132	-	245,350,762	2,924,489,784
2072	2,924,489,784	-	4,103,723	-	267,403,070	3,187,789,131
2073	3,187,789,131	-	3,665,348	-	291,515,016	3,475,638,799
2074	3,475,638,799	-	3,262,431	-	317,871,694	3,790,248,062
2075	3,790,248,062	-	2,892,811	-	346,675,352	4,134,030,603
2076	4,134,030,603	-	2,554,861	-	378,146,915	4,509,622,657
2077	4,509,622,657	-	2,247,036	-	412,527,671	4,919,903,292
2078	4,919,903,292	-	1,967,829	-	450,081,123	5,368,016,586
2079	5,368,016,586	-	1,715,586	-	491,095,030	5,857,396,030
2080	5,857,396,030	-	1,488,622	-	535,883,632	6,391,791,040
2081	6,391,791,040	-	1,285,290	-	584,790,078	6,975,295,828
2082	6,975,295,828	-	1,103,977	-	638,189,061	7,612,380,912
2083	7,612,380,912	-	943,112	-	696,489,706	8,307,927,506
2084	8,307,927,506	-	801,167	-	760,138,713	9,067,265,052
2085	9,067,265,052	-	676,711	-	829,623,793	9,896,212,134
2086	9,896,212,134	-	568,365	-	905,477,408	10,801,121,177
2087	10,801,121,177	-	474,789	-	988,280,866	11,788,927,254
2088	11,788,927,254	-	394,589	-	1,078,668,791	12,867,201,456
2089	12,867,201,456	-	326,385	-	1,177,334,001	14,044,209,072
2090	14,044,209,072	-	268,863	-	1,285,032,830	15,328,973,039
2091	15,328,973,039	-	220,780	-	1,402,590,932	16,731,343,191
2092	16,731,343,191	-	180,897	-	1,530,909,626	18,262,071,920
2093	18,262,071,920	-	148,034	-	1,670,972,808	19,932,896,694
2094	19,932,896,694	-	121,120	-	1,823,854,506	21,756,630,080
2095	21,756,630,080	-	99,221	-	1,990,727,113	23,747,257,972
2096	23,747,257,972	-	81,482	-	2,172,870,377	25,920,046,867
2097	25,920,046,867	-	67,143	-	2,371,681,217	28,291,660,941
2098	28,291,660,941	-	55,562	-	2,588,684,434	30,880,289,813
2099	30,880,289,813	-	46,214	-	2,825,544,404	33,705,788,003
2100	33,705,788,003	-	38,655	-	3,084,077,834	36,789,827,182
2101	36,789,827,182	-	32,517	-	3,366,267,700	40,156,062,365
2102	40,156,062,365	-	27,463	-	3,674,278,450	43,830,313,352
2103	43,830,313,352	-	23,226	-	4,010,472,609	47,840,762,735
2104	47,840,762,735	-	19,612	-	4,377,428,893	52,218,172,016
2105	52,218,172,016	-	16,479	-	4,777,961,986	56,996,117,523
2106	56,996,117,523	-	13,736	-	5,215,144,125	62,211,247,912
2107	62,211,247,912	-	11,318	-	5,692,328,666	67,903,565,260
2108	67,903,565,260	-	9,181	-	6,213,175,801	74,116,731,880
2109	74,116,731,880	-	7,305	-	6,781,680,633	80,898,405,208
2110	80,898,405,208	-	5,688	-	7,402,203,816	88,300,603,336
2111	88,300,603,336	-	4,321	-	8,079,505,008	96,380,104,023
2112	96,380,104,023	-	3,190	-	8,818,779,372	105,198,880,205
2113	105,198,880,205	-	2,280	-	9,625,697,434	114,824,575,359
2114	114,824,575,359	-	1,577	-	10,506,448,573	125,331,022,355
2115	125,331,022,355	-	1,052	-	11,467,788,497	136,798,809,800
2116	136,798,809,800	-	674	-	12,517,091,066	149,315,900,192
2117	149,315,900,192	-	413	-	13,662,404,849	162,978,304,628
2118	162,978,304,628	-	245	-	14,912,514,862	177,890,819,245
2119	177,890,819,245	-	140	-	16,277,009,955	194,167,829,060



## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3  
Hypothetical Assumptions: Discount Rate = 9.15%

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
2120	194,167,829,060	-	78	-	17,766,356,355	211,934,185,337
2121	211,934,185,337	-	41	-	19,391,977,956	231,326,163,252
2122	231,326,163,252	-	21	-	21,166,343,937	252,492,507,168
2123	252,492,507,168	-	11	-	23,103,064,405	275,595,571,562
2124	275,595,571,562	-	6	-	25,216,994,798	300,812,566,354
2125	300,812,566,354	-	3	-	27,524,349,821	328,336,916,172
2126	328,336,916,172	-	1	-	30,042,827,830	358,379,744,001
2127	358,379,744,001	-	-	-	32,791,746,576	391,171,490,577

\*All DROP Balances paid in 2020.

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 9.15% 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, 2022

Valuation Date: 10/1/2020

	ACTUAL	HYPOTHETICAL	
Investment Rate of Return:	7.15%	5.15%	9.15%
Minimum Required Contribution (Fixed \$)	\$23,439,030	\$35,959,081	\$13,422,385
Minimum Required Contribution (% of Payroll)	41.9%	64.3%	24.0%
Expected Member Contribution	6,019,770	5,961,650	6,077,889
Expected Sponsor Contribution (Fixed \$)	\$17,419,260	\$29,997,431	\$7,344,496
Expected Sponsor Contribution (% of Payroll)	31.5%	53.9%	13.6%

**ASSETS**

Actuarial Value <sup>1</sup>	347,939,145	347,939,145	347,939,145
Market Value <sup>1</sup>	340,960,499	340,960,499	340,960,499

**LIABILITIES**

Present Value of Benefits			
Active Members			
Retirement Benefits	214,224,337	325,712,373	148,920,173
Disability Benefits	0	0	0
Death Benefits	1,570,321	2,357,158	1,101,265
Vested Benefits	5,744,466	11,207,893	3,106,771
Refund of Contributions	3,903,075	4,127,451	3,701,788
Service Retirees	201,919,073	247,699,777	169,262,868
DROP Retirees <sup>1</sup>	69,459,048	83,187,593	60,221,011
Beneficiaries	7,440,366	8,981,619	6,346,597
Terminated Vested	1,945,562	2,433,632	1,626,973
Total:	506,206,248	685,707,496	394,287,446
Present Value of Future Salaries	427,426,207	478,841,576	385,925,130
Present Value of Future Member Contributions	44,409,583	49,751,640	40,097,621
Total Normal Cost	10,568,592	16,475,151	7,101,345
Present Value of Future Normal Costs (Entry Age Normal)	78,624,692	139,336,910	47,108,249
Total Actuarial Accrued Liability <sup>1</sup>	427,581,556	546,370,586	347,179,197
Unfunded Actuarial Accrued Liability (UAAL)	79,642,411	198,431,441	(759,948)

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2022

Valuation Date: 10/1/2020

	ACTUAL	HYPOTHETICAL	
Investment Rate of Return:	7.15%	5.15%	9.15%
<b><u>PENSION COST</u></b>			
Normal Cost <sup>2</sup>	11,633,854	17,960,668	7,892,599
Administrative Expenses <sup>2</sup>	322,028	318,919	325,137
Payment Required To Amortize UAAL <sup>2</sup>	11,483,148	17,679,494	5,204,649
Minimum Required Contribution	\$23,439,030	\$35,959,081	\$13,422,385

<sup>1</sup> The asset values and liabilities include accumulated DROP Balances as of 9/30/2020.

<sup>2</sup> Contributions developed as of 10/1/2020 displayed above have been adjusted to account for assumed salary increase and interest components.