

May 8, 2017

VIA EMAIL

Mr. Chris Hengstenberg, MPA
City of Seminole
Municipal Firefighters' Pension Trust Fund
P. O. Box 47744
St. Petersburg, FL 33743-7744

Re: City of Seminole Municipal Firefighters' Pension Trust Fund
Senate Bill 534 (Section 112.664, Florida Statutes) Compliance

Dear Chris:

Please find enclosed the annual disclosures that satisfy the October 1, 2016 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.

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 #17-7778

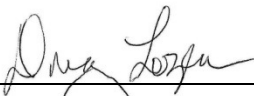
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Enclosures

cc via email: Scott R. Christiansen, Board Attorney

CITY OF SEMINOLE
MUNICIPAL FIREFIGHTERS' PENSION TRUST FUND

SECTION 112.664, FLORIDA STATUTES
COMPLIANCE

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.

By:  Date 5/8/2017
Douglas H. Lozen, EA, MAAA
Enrolled Actuary #17-7778



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, 2016 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.

GASB 67: SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FISCAL YEAR SEPTEMBER 30, 2016

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.75% RP-2000 Generational	5.75% RP-2000 Generational
<u>Total Pension Liability</u>		
Service Cost	716,045	1,164,040
Interest	2,974,989	2,899,479
Changes of Benefit Terms	-	-
Differences Between Expected and Actual		
Experience	161,240	83,775
Changes of Assumptions	1,032,209	(604,345)
Contributions - Buy Back	23,668	23,668
Benefit Payments, Including Refunds of		
Employee Contributions	(3,449,539)	(3,449,539)
Net Change in Total Pension Liability	1,458,612	117,078
Total Pension Liability - Beginning	39,399,036	50,989,804
Total Pension Liability - Ending (a)	<u>\$ 40,857,648</u>	<u>\$ 51,106,882</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	310,573	310,573
Contributions - State	268,067	268,067
Contributions - Employee	390,603	390,603
Contributions - Buy Back	23,668	23,668
Net Investment Income	2,584,673	2,584,673
Benefit Payments, Including Refunds of		
Employee Contributions	(3,449,539)	(3,449,539)
Administrative Expenses	(63,352)	(63,352)
Net Change in Plan Fiduciary Net Position	64,693	64,693
Plan Fiduciary Net Position - Beginning	35,772,115	35,772,115
Plan Fiduciary Net Position - Ending (b)	<u>\$ 35,836,808</u>	<u>\$ 35,836,808</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 5,020,840</u>	<u>\$ 15,270,074</u>

GASB 68: PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2016

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.75%	5.75%
Pension Expense	<u>\$ 826,904</u>	<u>\$ 1,601,339</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.75% and RP-2000 Generational Mortality

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
2016	35,836,808	-	3,044,888	-	2,659,363	35,451,283
2017	35,451,283	-	3,067,632	-	2,628,604	35,012,255
2018	35,012,255	-	3,086,682	-	2,593,841	34,519,414
2019	34,519,414	-	3,113,366	-	2,554,612	33,960,660
2020	33,960,660	-	3,131,668	-	2,510,599	33,339,591
2021	33,339,591	-	3,175,215	-	2,460,779	32,625,155
2022	32,625,155	-	3,184,391	-	2,405,054	31,845,818
2023	31,845,818	-	3,193,319	-	2,344,310	30,996,809
2024	30,996,809	-	3,176,388	-	2,279,168	30,099,589
2025	30,099,589	-	3,189,678	-	2,209,118	29,119,029
2026	29,119,029	-	3,188,966	-	2,133,152	28,063,215
2027	28,063,215	-	3,203,573	-	2,050,761	26,910,403
2028	26,910,403	-	3,219,705	-	1,960,793	25,651,491
2029	25,651,491	-	3,247,168	-	1,862,163	24,266,486
2030	24,266,486	-	3,217,221	-	1,755,985	22,805,250
2031	22,805,250	-	3,191,709	-	1,643,728	21,257,269
2032	21,257,269	-	3,161,379	-	1,524,935	19,620,825
2033	19,620,825	-	3,126,670	-	1,399,455	17,893,610
2034	17,893,610	-	3,096,148	-	1,266,779	16,064,241
2035	16,064,241	-	3,050,119	-	1,126,787	14,140,909
2036	14,140,909	-	2,996,265	-	979,815	12,124,459
2037	12,124,459	-	2,946,825	-	825,456	10,003,090
2038	10,003,090	-	2,893,703	-	663,108	7,772,495
2039	7,772,495	-	2,828,495	-	492,764	5,436,764
2040	5,436,764	-	2,763,984	-	314,245	2,987,025
2041	2,987,025	-	2,696,463	-	127,006	417,568
2042	417,568	-	2,619,300	-	-	-

Number of Years Expected Benefit Payments Sustained: 26.16

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.75% 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: 5.75% and RP-2000 Generational Mortality

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
2016	35,836,808	-	3,044,888	-	1,973,076	34,764,996
2017	34,764,996	-	3,067,632	-	1,910,793	33,608,157
2018	33,608,157	-	3,086,682	-	1,843,727	32,365,202
2019	32,365,202	-	3,113,366	-	1,771,490	31,023,326
2020	31,023,326	-	3,131,668	-	1,693,806	29,585,464
2021	29,585,464	-	3,175,215	-	1,609,877	28,020,126
2022	28,020,126	-	3,184,391	-	1,519,606	26,355,341
2023	26,355,341	-	3,193,319	-	1,423,624	24,585,646
2024	24,585,646	-	3,176,388	-	1,322,353	22,731,611
2025	22,731,611	-	3,189,678	-	1,215,364	20,757,297
2026	20,757,297	-	3,188,966	-	1,101,862	18,670,193
2027	18,670,193	-	3,203,573	-	981,433	16,448,053
2028	16,448,053	-	3,219,705	-	853,197	14,081,545
2029	14,081,545	-	3,247,168	-	716,333	11,550,710
2030	11,550,710	-	3,217,221	-	571,671	8,905,160
2031	8,905,160	-	3,191,709	-	420,285	6,133,736
2032	6,133,736	-	3,161,379	-	261,800	3,234,157
2033	3,234,157	-	3,126,670	-	96,072	203,559
2034	203,559	-	3,096,148	-	-	-

Number of Years Expected Benefit Payments Sustained: 18.07

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.75% 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, 2018

Valuation Date: 10/1/2016

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.75%	5.75%
	RP-2000	RP-2000
	Generational	Generational
Total Required Contribution (Fixed \$)	\$1,340,967	\$2,460,111
Total Required Contribution (% of Payroll)	31.6%	58.1%
Expected Member Contribution	540,037	1,099,317
Expected State Money	261,278	261,278
Expected Sponsor Contribution (Fixed \$)	\$539,652	\$1,099,516
Expected Sponsor Contribution (% of Payroll)	12.7%	25.9%

ASSETS

Actuarial Value	37,436,376	37,436,376
Market Value	35,836,808	35,836,808

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	12,989,002	20,470,977
Disability Benefits	1,331,622	1,889,077
Death Benefits	324,665	442,458
Vested Benefits	1,102,284	1,744,996
Refund of Contributions	208,536	357,141
Service Retirees	28,997,664	35,369,807
Beneficiaries	798,308	918,176
Disability Retirees	2,111,700	2,444,345
Terminated Vested	886,091	1,114,463
Funding Standard Account	412,986	412,986
Excess State Monies Reserve	3,356	3,356
Total:	<u>49,166,214</u>	<u>65,167,782</u>
Present Value of Future Salaries	40,742,663	46,803,098
Total Normal Cost	738,407	1,156,978
Present Value of Future		
Normal Costs (Entry Age Normal)	7,090,642	12,841,560
Total Actuarial Accrued Liability	42,075,572	52,326,222
Unfunded Actuarial Accrued	4,639,196	14,889,846
Liability (UAAL)		

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2018

Valuation Date: 10/1/2016

	ACTUAL	HYPOTHETICAL
	7.75%	5.75%
	RP-2000	RP-2000
	Generational	Generational
<u>PENSION COST</u>		
Normal Cost ¹	803,530	1,246,897
Administrative Expenses ¹	68,939	68,276
Payment Required To Amortize UAAL ¹	468,498	1,144,938
Total Required Contribution	\$1,340,967	\$2,460,111

¹ Contributions developed as of 10/1/2016 displayed above have been adjusted to account for assumed salary increase and interest components.