

CITY OF SEMINOLE
MUNICIPAL FIREFIGHTERS' PENSION TRUST FUND

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2019 VALUATION DATE



May 12, 2020

VIA EMAIL

Ms. Mickenzie Wright, Records Specialist
Foster & Foster, Inc.
2503 Del Prado Blvd. S., Suite 502
Cape Coral, FL 33904

Re: City of Seminole Municipal Firefighters' Pension Trust Fund
Section 112.664, Florida Statutes Compliance

Dear Mickenzie:

Please find enclosed the annual disclosures that satisfy the October 1, 2019 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: Scott R. Christiansen, Board Attorney

cc via email: Kim Kilgore, Plan Administrator

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, 2019 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, 2019

	ACTUAL	HYPOTHETICAL
	7.75% RP-2000 Generational	5.75% RP-2000 Generational
<u>Total Pension Liability</u>		
Service Cost	747,487	1,147,789
Interest	3,275,567	3,060,761
Change in Funding Standard Account	-	-
Changes of Benefit Terms	23,246	27,954
Differences Between Expected and Actual Experience	(400,175)	(619,149)
Changes of Assumptions	-	-
Contributions - Buy Back	-	-
Benefit Payments, Including Refunds of Employee Contributions	(3,146,841)	(3,146,841)
Net Change in Total Pension Liability	499,284	470,514
Total Pension Liability - Beginning	43,071,428	53,631,656
Total Pension Liability - Ending (a)	<u>\$ 43,570,712</u>	<u>\$ 54,102,170</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	941,702	941,702
Contributions - State	250,613	250,613
Contributions - Employee	542,695	542,695
Contributions - Buy Back	-	-
Net Investment Income	1,141,478	1,141,478
Benefit Payments, Including Refunds of Employee Contributions	(3,146,841)	(3,146,841)
Administrative Expenses	(80,581)	(80,581)
Net Change in Plan Fiduciary Net Position	(350,934)	(350,934)
Plan Fiduciary Net Position - Beginning	38,446,994	38,446,994
Plan Fiduciary Net Position - Ending (b)	<u>\$ 38,096,060</u>	<u>\$ 38,096,060</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 5,474,652</u>	<u>\$ 16,006,110</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
2019	38,096,060	-	3,232,191	-	2,827,197	37,691,066
2020	37,691,066	-	3,179,614	-	2,797,848	37,309,300
2021	37,309,300	-	3,215,362	-	2,766,875	36,860,813
2022	36,860,813	-	3,236,149	-	2,731,312	36,355,976
2023	36,355,976	-	3,261,557	-	2,691,203	35,785,622
2024	35,785,622	-	3,264,313	-	2,646,894	35,168,203
2025	35,168,203	-	3,283,519	-	2,598,299	34,482,983
2026	34,482,983	-	3,304,855	-	2,544,368	33,722,496
2027	33,722,496	-	3,346,653	-	2,483,811	32,859,654
2028	32,859,654	-	3,402,333	-	2,414,783	31,872,104
2029	31,872,104	-	3,458,219	-	2,336,082	30,749,967
2030	30,749,967	-	3,442,303	-	2,249,733	29,557,397
2031	29,557,397	-	3,422,712	-	2,158,068	28,292,753
2032	28,292,753	-	3,395,410	-	2,061,116	26,958,459
2033	26,958,459	-	3,367,927	-	1,958,773	25,549,305
2034	25,549,305	-	3,341,950	-	1,850,571	24,057,926
2035	24,057,926	-	3,305,598	-	1,736,397	22,488,725
2036	22,488,725	-	3,284,736	-	1,615,593	20,819,582
2037	20,819,582	-	3,242,521	-	1,487,870	19,064,931
2038	19,064,931	-	3,201,533	-	1,353,473	17,216,871
2039	17,216,871	-	3,138,219	-	1,212,702	15,291,354
2040	15,291,354	-	3,079,108	-	1,065,765	13,278,011
2041	13,278,011	-	3,018,859	-	912,065	11,171,217
2042	11,171,217	-	2,941,489	-	751,787	8,981,515
2043	8,981,515	-	2,862,362	-	585,151	6,704,304
2044	6,704,304	-	2,780,027	-	411,858	4,336,135
2045	4,336,135	-	2,687,327	-	231,917	1,880,725
2046	1,880,725	-	2,590,471	-	-	-

Number of Years Expected Benefit Payments Sustained: 27.73

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
2019	38,096,060	-	3,232,191	-	2,097,598	36,961,467
2020	36,961,467	-	3,179,614	-	2,033,870	35,815,723
2021	35,815,723	-	3,215,362	-	1,966,962	34,567,323
2022	34,567,323	-	3,236,149	-	1,894,582	33,225,756
2023	33,225,756	-	3,261,557	-	1,816,711	31,780,910
2024	31,780,910	-	3,264,313	-	1,733,553	30,250,150
2025	30,250,150	-	3,283,519	-	1,644,982	28,611,613
2026	28,611,613	-	3,304,855	-	1,550,153	26,856,911
2027	26,856,911	-	3,346,653	-	1,448,056	24,958,314
2028	24,958,314	-	3,402,333	-	1,337,286	22,893,267
2029	22,893,267	-	3,458,219	-	1,216,939	20,651,987
2030	20,651,987	-	3,442,303	-	1,088,523	18,298,207
2031	18,298,207	-	3,422,712	-	953,744	15,829,239
2032	15,829,239	-	3,395,410	-	812,563	13,246,392
2033	13,246,392	-	3,367,927	-	664,840	10,543,305
2034	10,543,305	-	3,341,950	-	510,159	7,711,514
2035	7,711,514	-	3,305,598	-	348,376	4,754,292
2036	4,754,292	-	3,284,736	-	178,936	1,648,492
2037	1,648,492	-	3,242,521	-	-	-

Number of Years Expected Benefit Payments Sustained: 18.51

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, 2021

Valuation Date: 10/1/2019

	ACTUAL	HYPOTHETICAL
	7.75% RP-2000 Generational	5.75% RP-2000 Generational
Minimum Required Contribution (Fixed \$)	\$1,609,856	\$2,756,494
Minimum Required Contribution (% of Payroll)	36.9%	63.3%
Expected Member Contribution	565,956	560,507
Expected State Money	250,614	250,614
Expected Sponsor Contribution (Fixed \$)	\$793,286	\$1,945,373
Expected Sponsor Contribution (% of Payroll)	18.7%	44.8%

ASSETS

Actuarial Value ¹	39,076,408	39,076,408
Market Value ¹	38,096,060	38,096,060

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	15,313,350	23,433,086
Disability Benefits	1,498,618	2,098,936
Death Benefits	165,480	220,663
Vested Benefits	1,061,666	1,692,008
Refund of Contributions	205,534	218,826
Service Retirees	29,264,490	35,454,624
Beneficiaries	949,170	1,109,905
Disability Retirees	1,999,578	2,295,962
Terminated Vested	252,972	332,377
Funding Standard Account	397,667	397,667
Share Plan Balances ¹	0	0
Excess State Monies Reserve	3,356	3,356
Total:	51,111,881	67,257,410
Present Value of Future Salaries	39,835,405	45,498,375
Present Value of Future Member Contributions	4,979,426	5,687,297
Total Normal Cost	785,201	1,211,428
Present Value of Future Normal Costs (Entry Age Normal)	7,213,436	12,844,713
Total Actuarial Accrued Liability ¹	43,898,445	54,412,697
Unfunded Actuarial Accrued Liability (UAAL)	4,822,037	15,336,289

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2021

Valuation Date: 10/1/2019

	ACTUAL	HYPOTHETICAL
	7.75%	5.75%
	RP-2000	RP-2000
	Generational	Generational
<u>PENSION COST</u>		
Normal Cost ²	854,370	1,305,454
Administrative Expenses ²	76,347	75,612
Payment Required To Amortize UAAL ²	679,139	1,375,428
Minimum Required Contribution	\$1,609,856	\$2,756,494

¹ The asset values and liabilities include accumulated Share Plan Balances as of 9/30/2019.

² Contributions developed as of 10/1/2019 displayed above have been adjusted to account for assumed salary increase and interest components.