

May 30, 2019

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
Section 112.664, Florida Statutes Compliance

Dear Chris:

Please find enclosed the annual disclosures that satisfy the October 1, 2018 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

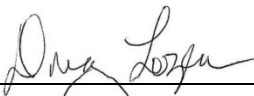
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Enclosures

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 5/30/2019
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, 2018 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, 2018

	ACTUAL	HYPOTHETICAL
	7.75% RP-2000 Generational	5.75% RP-2000 Generational
<u>Total Pension Liability</u>		
Service Cost	758,006	1,164,917
Interest	3,208,627	2,999,888
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	122,735	121,384
Changes of Assumptions	-	-
Contributions - Buy Back	-	-
Benefit Payments, Including Refunds of Employee Contributions	(3,329,858)	(3,329,858)
Net Change in Total Pension Liability	759,510	956,331
Total Pension Liability - Beginning	42,311,918	52,675,325
Total Pension Liability - Ending (a)	<u>\$ 43,071,428</u>	<u>\$ 53,631,656</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	178,800	178,800
Contributions - State	237,804	237,804
Contributions - Employee	488,990	488,990
Net Investment Income	3,164,531	3,164,531
Benefit Payments, Including Refunds of Employee Contributions	(3,329,858)	(3,329,858)
Administrative Expenses	(59,752)	(59,752)
Net Change in Plan Fiduciary Net Position	680,515	680,515
Plan Fiduciary Net Position - Beginning	37,766,479	37,766,479
Plan Fiduciary Net Position - Ending (b)	<u>\$ 38,446,994</u>	<u>\$ 38,446,994</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 4,624,434</u>	<u>\$ 15,184,662</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
2018	38,446,994	-	3,209,937	-	2,855,257	38,092,314
2019	38,092,314	-	3,165,245	-	2,829,501	37,756,570
2020	37,756,570	-	3,170,016	-	2,803,296	37,389,850
2021	37,389,850	-	3,197,692	-	2,773,803	36,965,961
2022	36,965,961	-	3,215,489	-	2,740,262	36,490,734
2023	36,490,734	-	3,235,889	-	2,702,641	35,957,486
2024	35,957,486	-	3,231,781	-	2,661,474	35,387,179
2025	35,387,179	-	3,252,146	-	2,616,486	34,751,519
2026	34,751,519	-	3,266,182	-	2,566,678	34,052,015
2027	34,052,015	-	3,299,169	-	2,511,188	33,264,034
2028	33,264,034	-	3,334,237	-	2,448,761	32,378,558
2029	32,378,558	-	3,383,715	-	2,378,219	31,373,062
2030	31,373,062	-	3,362,991	-	2,301,096	30,311,167
2031	30,311,167	-	3,347,832	-	2,219,387	29,182,722
2032	29,182,722	-	3,318,033	-	2,133,087	27,997,776
2033	27,997,776	-	3,291,675	-	2,042,275	26,748,376
2034	26,748,376	-	3,269,861	-	1,946,292	25,424,807
2035	25,424,807	-	3,229,526	-	1,845,278	24,040,559
2036	24,040,559	-	3,181,889	-	1,739,845	22,598,515
2037	22,598,515	-	3,136,982	-	1,629,827	21,091,360
2038	21,091,360	-	3,092,000	-	1,514,765	19,514,125
2039	19,514,125	-	3,029,756	-	1,394,942	17,879,311
2040	17,879,311	-	2,967,875	-	1,270,641	16,182,077
2041	16,182,077	-	2,903,146	-	1,141,614	14,420,545
2042	14,420,545	-	2,826,258	-	1,008,075	12,602,362
2043	12,602,362	-	2,745,183	-	870,307	10,727,486
2044	10,727,486	-	2,660,351	-	728,292	8,795,427
2045	8,795,427	-	2,568,315	-	582,123	6,809,235
2046	6,809,235	-	2,473,364	-	431,873	4,767,744
2047	4,767,744	-	2,373,876	-	277,512	2,671,380
2048	2,671,380	-	2,270,599	-	119,046	519,827
2049	519,827	-	2,164,922	-	-	-

Number of Years Expected Benefit Payments Sustained: 31.24

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
2018	38,446,994	-	3,209,937	-	2,118,416	37,355,473
2019	37,355,473	-	3,165,245	-	2,056,939	36,247,167
2020	36,247,167	-	3,170,016	-	1,993,074	35,070,225
2021	35,070,225	-	3,197,692	-	1,924,604	33,797,137
2022	33,797,137	-	3,215,489	-	1,850,890	32,432,538
2023	32,432,538	-	3,235,889	-	1,771,839	30,968,488
2024	30,968,488	-	3,231,781	-	1,687,774	29,424,481
2025	29,424,481	-	3,252,146	-	1,598,408	27,770,743
2026	27,770,743	-	3,266,182	-	1,502,915	26,007,476
2027	26,007,476	-	3,299,169	-	1,400,579	24,108,886
2028	24,108,886	-	3,334,237	-	1,290,402	22,065,051
2029	22,065,051	-	3,383,715	-	1,171,459	19,852,795
2030	19,852,795	-	3,362,991	-	1,044,850	17,534,654
2031	17,534,654	-	3,347,832	-	911,992	15,098,814
2032	15,098,814	-	3,318,033	-	772,788	12,553,569
2033	12,553,569	-	3,291,675	-	627,195	9,889,089
2034	9,889,089	-	3,269,861	-	474,614	7,093,842
2035	7,093,842	-	3,229,526	-	315,047	4,179,363
2036	4,179,363	-	3,181,889	-	148,834	1,146,308
2037	1,146,308	-	3,136,982	-	-	-

Number of Years Expected Benefit Payments Sustained: 19.37

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, 2020

Valuation Date: 10/1/2018

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.75% RP-2000 Generational	5.75% RP-2000 Generational
Minimum Required Contribution (Fixed \$)	\$1,456,439	\$2,568,953
Minimum Required Contribution (% of Payroll)	34.9%	61.5%
Expected Member Contribution	609,514	644,462
Expected State Money	236,948	236,948
Expected Sponsor Contribution (Fixed \$)	\$609,977	\$1,687,543
Expected Sponsor Contribution (% of Payroll)	15.0%	40.8%

ASSETS

Actuarial Value ¹	37,771,200	37,771,200
Market Value ¹	38,446,994	38,446,994

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	14,362,551	22,135,383
Disability Benefits	1,363,966	1,908,953
Death Benefits	161,262	215,631
Vested Benefits	1,064,180	1,687,292
Refund of Contributions	197,387	215,454
Service Retirees	29,319,825	35,583,068
Beneficiaries	996,872	1,159,401
Disability Retirees	2,037,614	2,346,004
Terminated Vested	367,025	437,170
Share Plan Balances ¹	0	0
Funding Standard Account (FSA)	52,026	52,026
Excess State Monies Reserve	3,356	3,356
Total:	<u>49,926,064</u>	<u>65,743,738</u>
Present Value of Future Salaries	38,762,480	44,215,758
Total Normal Cost	743,579	1,149,746
Present Value of Future		
Normal Costs (Entry Age Normal)	6,909,876	12,311,919
Total Actuarial Accrued Liability ¹	43,016,188	53,431,819
Unfunded Actuarial Accrued Liability (UAAL)	5,244,988	15,660,619

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2020

Valuation Date: 10/1/2018

	ACTUAL	HYPOTHETICAL
	7.75%	5.75%
	RP-2000	RP-2000
	Generational	Generational
<u>PENSION COST</u>		
Normal Cost ²	808,927	1,238,748
Administrative Expenses ²	65,003	64,377
Payment Required To Amortize UAAL ²	582,509	1,265,828
Minimum Required Contribution	\$1,456,439	\$2,568,953

¹ The asset values and liabilities include accumulated Share Plan Balances as of 9/30/2018.

² Contributions developed as of 10/1/2018 displayed above have been adjusted to account for assumed salary increase and interest components.