

CITY OF SEMINOLE
MUNICIPAL FIREFIGHTERS' PENSION TRUST FUND

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2023 VALUATION DATE



June 24, 2024

VIA EMAIL

Ms. Ferrell Jene, Plan Administrator
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 Ferrell:

Please find enclosed the annual disclosures that satisfy the October 1, 2023 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 #23-7778

Enclosures

cc via email: Scott R. Christiansen, 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, 2023 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, 2023

	ACTUAL	HYPOTHETICAL
Discount Rate:	6.75%	4.75%
<u>Total Pension Liability</u>		
Service Cost	1,104,935	1,724,185
Interest	3,388,018	3,042,233
Change in Excess State Money	50,790	50,790
Changes of Benefit Terms	(5,545)	(5,141)
Differences Between Expected and Actual Experience	(333,663)	(516,011)
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(3,363,066)	(3,363,066)
Net Change in Total Pension Liability	841,469	932,990
Total Pension Liability - Beginning	50,776,169	64,011,078
Total Pension Liability - Ending (a)	<u>\$ 51,617,638</u>	<u>\$ 64,944,068</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	1,968,000	1,968,000
Contributions - State	362,716	362,716
Contributions - Employee	649,229	649,229
Net Investment Income	4,573,662	4,573,662
Benefit Payments, Including Refunds of Employee Contributions	(3,363,066)	(3,363,066)
Administrative Expenses	(84,268)	(84,268)
Net Change in Plan Fiduciary Net Position	4,106,273	4,106,273
Plan Fiduciary Net Position - Beginning	38,445,384	38,445,384
Plan Fiduciary Net Position - Ending (b)	<u>\$ 42,551,657</u>	<u>\$ 42,551,657</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 9,065,981</u>	<u>\$ 22,392,411</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 6.75%

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
2023	43,245,557	-	3,403,177	-	2,804,218	42,646,598
2024	42,646,598	-	3,231,977	-	2,769,566	42,184,187
2025	42,184,187	-	3,376,004	-	2,733,492	41,541,675
2026	41,541,675	-	3,462,959	-	2,687,188	40,765,904
2027	40,765,904	-	3,580,958	-	2,630,841	39,815,787
2028	39,815,787	-	3,584,411	-	2,566,592	38,797,968
2029	38,797,968	-	3,687,710	-	2,494,403	37,604,661
2030	37,604,661	-	3,686,614	-	2,413,891	36,331,938
2031	36,331,938	-	3,712,532	-	2,327,108	34,946,514
2032	34,946,514	-	3,701,317	-	2,233,970	33,479,167
2033	33,479,167	-	3,680,812	-	2,135,616	31,933,971
2034	31,933,971	-	3,633,834	-	2,032,901	30,333,038
2035	30,333,038	-	3,622,545	-	1,925,219	28,635,712
2036	28,635,712	-	3,605,164	-	1,811,236	26,841,784
2037	26,841,784	-	3,571,114	-	1,691,295	24,961,965
2038	24,961,965	-	3,560,242	-	1,564,774	22,966,497
2039	22,966,497	-	3,512,939	-	1,431,677	20,885,235
2040	20,885,235	-	3,449,285	-	1,293,340	18,729,290
2041	18,729,290	-	3,401,489	-	1,149,427	16,477,228
2042	16,477,228	-	3,328,625	-	999,872	14,148,475
2043	14,148,475	-	3,254,724	-	845,175	11,738,926
2044	11,738,926	-	3,173,477	-	685,273	9,250,722
2045	9,250,722	-	3,076,022	-	520,608	6,695,308
2046	6,695,308	-	2,981,122	-	351,320	4,065,506
2047	4,065,506	-	2,873,927	-	177,427	1,369,006
2048	1,369,006	-	2,761,160	-	-	-

Number of Years Expected Benefit Payments Sustained: 25.50

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 6.75% 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: Discount Rate = 4.75%

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
2023	43,245,557	-	3,403,177	-	1,973,339	41,815,719
2024	41,815,719	-	3,231,977	-	1,909,487	40,493,229
2025	40,493,229	-	3,376,004	-	1,843,248	38,960,473
2026	38,960,473	-	3,462,959	-	1,768,377	37,265,891
2027	37,265,891	-	3,580,958	-	1,685,082	35,370,015
2028	35,370,015	-	3,584,411	-	1,594,946	33,380,550
2029	33,380,550	-	3,687,710	-	1,497,993	31,190,833
2030	31,190,833	-	3,686,614	-	1,394,007	28,898,226
2031	28,898,226	-	3,712,532	-	1,284,493	26,470,187
2032	26,470,187	-	3,701,317	-	1,169,428	23,938,298
2033	23,938,298	-	3,680,812	-	1,049,650	21,307,136
2034	21,307,136	-	3,633,834	-	925,785	18,599,087
2035	18,599,087	-	3,622,545	-	797,421	15,773,963
2036	15,773,963	-	3,605,164	-	663,641	12,832,440
2037	12,832,440	-	3,571,114	-	524,727	9,786,053
2038	9,786,053	-	3,560,242	-	380,282	6,606,093
2039	6,606,093	-	3,512,939	-	230,357	3,323,511
2040	3,323,511	-	3,449,285	-	-	-

Number of Years Expected Benefit Payments Sustained: 17.96

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 4.75% 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, 2025

Valuation Date: 10/1/2023

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Investment Rate of Return:	6.75%	4.75%
Minimum Required Contribution (Fixed \$)	\$2,303,166	\$3,775,656
Minimum Required Contribution (% of Payroll)	41.0%	67.3%
Expected Member Contribution	580,610	574,993
Expected State Money	308,570	308,570
Expected Sponsor Contribution (Fixed \$)	\$1,413,986	\$2,892,093
Expected Sponsor Contribution (% of Payroll)	23.3%	51.6%

ASSETS

Actuarial Value ¹	45,006,203	45,006,203
Market Value ¹	43,245,557	43,245,557

LIABILITIES

Present Value of Benefits		
Actives		
Retirement Benefits	24,553,065	37,649,066
Disability Benefits	1,928,970	2,746,367
Death Benefits	139,003	185,190
Vested Benefits	900,370	1,469,455
Refund of Contributions	345,858	364,632
Service Retirees	31,401,461	38,094,603
Beneficiaries	867,709	1,032,284
Disability Retirees	2,080,195	2,413,683
Terminated Vested	385,081	515,542
Share Plan Balances ¹	0	0
Excess State Monies Reserve	57,502	57,502
Total:	<u>62,659,214</u>	<u>84,528,324</u>
Present Value of Future Salaries	48,865,600	55,831,230
Present Value of Future Member Contributions	4,886,560	5,583,123
Total Normal Cost	1,168,114	1,829,964
Present Value of Future Normal Costs (Entry Age Normal)	10,238,242	18,630,703
Total Actuarial Accrued Liability (EAN) ¹	52,420,972	65,897,621
Unfunded Actuarial Accrued Liability (UAAL)	7,414,769	20,891,418

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2025

Valuation Date: 10/1/2023

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	6.75%	4.75%
<u>PENSION COST</u>		
Normal Cost ²	1,259,462	1,953,983
Administrative Expenses ²	94,437	93,524
Payment Required To Amortize UAAL ²	949,267	1,728,149
Minimum Required Contribution	\$2,303,166	\$3,775,656

¹ The asset values and liabilities include accumulated Share Plan Balances as of 9/30/2023.

² Contributions developed as of 10/1/2023 displayed above have been adjusted to account for assumed salary increase and interest components.