

CITY OF SEMINOLE
MUNICIPAL FIREFIGHTERS' PENSION TRUST FUND

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2021 VALUATION DATE



June 7, 2022

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, 2021 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

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, 2021 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, 2021

	ACTUAL	HYPOTHETICAL
Discount Rate:	6.75%	4.75%
<u>Total Pension Liability</u>		
Service Cost	936,077	1,452,581
Interest	3,193,166	2,892,220
Change in Excess State Money	3,356	3,356
Change in Funding Standard Account	-	-
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	986,494	1,266,523
Changes of Assumptions	1,287,014	1,876,779
Benefit Payments, Including Refunds of Employee Contributions	(3,368,324)	(3,368,324)
Net Change in Total Pension Liability	3,037,783	4,123,135
Total Pension Liability - Beginning	46,364,748	58,075,989
Total Pension Liability - Ending (a)	<u>\$ 49,402,531</u>	<u>\$ 62,199,124</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	2,413,526	2,413,526
Contributions - State	292,025	292,025
Contributions - Employee	624,614	624,614
Net Investment Income	7,647,547	7,647,547
Benefit Payments, Including Refunds of Employee Contributions	(3,368,324)	(3,368,324)
Administrative Expenses	(83,591)	(83,591)
Net Change in Plan Fiduciary Net Position	7,525,797	7,525,797
Plan Fiduciary Net Position - Beginning	38,581,318	38,581,318
Plan Fiduciary Net Position - Ending (b)	<u>\$ 46,107,115</u>	<u>\$ 46,107,115</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 3,295,416</u>	<u>\$ 16,092,009</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
2021	46,107,115	-	3,332,052	-	2,999,774	45,774,837
2022	45,774,837	-	3,268,252	-	2,979,498	45,486,083
2023	45,486,083	-	3,254,757	-	2,960,463	45,191,789
2024	45,191,789	-	3,237,986	-	2,941,164	44,894,967
2025	44,894,967	-	3,330,851	-	2,917,994	44,482,110
2026	44,482,110	-	3,386,791	-	2,888,238	43,983,557
2027	43,983,557	-	3,475,555	-	2,851,590	43,359,592
2028	43,359,592	-	3,470,270	-	2,809,651	42,698,973
2029	42,698,973	-	3,542,707	-	2,762,614	41,918,880
2030	41,918,880	-	3,528,913	-	2,710,424	41,100,391
2031	41,100,391	-	3,524,353	-	2,655,329	40,231,367
2032	40,231,367	-	3,499,508	-	2,597,509	39,329,368
2033	39,329,368	-	3,479,793	-	2,537,289	38,386,864
2034	38,386,864	-	3,433,544	-	2,475,231	37,428,551
2035	37,428,551	-	3,411,509	-	2,411,289	36,428,331
2036	36,428,331	-	3,392,750	-	2,344,407	35,379,988
2037	35,379,988	-	3,374,678	-	2,274,254	34,279,564
2038	34,279,564	-	3,330,187	-	2,201,477	33,150,854
2039	33,150,854	-	3,272,273	-	2,127,243	32,005,824
2040	32,005,824	-	3,205,434	-	2,052,210	30,852,600
2041	30,852,600	-	3,149,779	-	1,976,245	29,679,066
2042	29,679,066	-	3,075,846	-	1,899,527	28,502,747
2043	28,502,747	-	2,995,048	-	1,822,853	27,330,552
2044	27,330,552	-	2,908,239	-	1,746,659	26,168,972
2045	26,168,972	-	2,809,412	-	1,671,588	25,031,148
2046	25,031,148	-	2,708,727	-	1,598,183	23,920,604
2047	23,920,604	-	2,598,796	-	1,526,931	22,848,739
2048	22,848,739	-	2,486,932	-	1,458,356	21,820,163
2049	21,820,163	-	2,370,420	-	1,392,859	20,842,602
2050	20,842,602	-	2,250,585	-	1,330,918	19,922,935
2051	19,922,935	-	2,128,070	-	1,272,976	19,067,841
2052	19,067,841	-	2,005,089	-	1,219,408	18,282,160
2053	18,282,160	-	1,881,806	-	1,170,535	17,570,889
2054	17,570,889	-	1,759,085	-	1,126,666	16,938,470
2055	16,938,470	-	1,637,773	-	1,088,072	16,388,769
2056	16,388,769	-	1,518,270	-	1,055,000	15,925,499
2057	15,925,499	-	1,401,624	-	1,027,666	15,551,541
2058	15,551,541	-	1,288,420	-	1,006,245	15,269,366
2059	15,269,366	-	1,179,492	-	990,874	15,080,748
2060	15,080,748	-	1,075,435	-	981,655	14,986,968
2061	14,986,968	-	976,732	-	978,656	14,988,892
2062	14,988,892	-	883,785	-	981,922	15,087,029
2063	15,087,029	-	796,904	-	991,479	15,281,604
2064	15,281,604	-	716,223	-	1,007,336	15,572,717
2065	15,572,717	-	641,723	-	1,029,500	15,960,494
2066	15,960,494	-	573,319	-	1,057,984	16,445,159
2067	16,445,159	-	510,887	-	1,092,806	17,027,078
2068	17,027,078	-	454,251	-	1,133,997	17,706,824
2069	17,706,824	-	403,146	-	1,181,604	18,485,282
2070	18,485,282	-	357,234	-	1,235,700	19,363,748
2071	19,363,748	-	316,120	-	1,296,384	20,344,012
2072	20,344,012	-	279,384	-	1,363,792	21,428,420

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
2073	21,428,420	-	246,577	-	1,438,096	22,619,939
2074	22,619,939	-	217,283	-	1,519,513	23,922,169
2075	23,922,169	-	191,122	-	1,608,296	25,339,343
2076	25,339,343	-	167,767	-	1,704,744	26,876,320
2077	26,876,320	-	146,933	-	1,809,193	28,538,580
2078	28,538,580	-	128,365	-	1,922,022	30,332,237
2079	30,332,237	-	111,821	-	2,043,652	32,264,068
2080	32,264,068	-	97,085	-	2,174,548	34,341,531
2081	34,341,531	-	83,964	-	2,315,220	36,572,787
2082	36,572,787	-	72,287	-	2,466,223	38,966,723
2083	38,966,723	-	61,904	-	2,628,165	41,532,984
2084	41,532,984	-	52,688	-	2,801,698	44,281,994
2085	44,281,994	-	44,540	-	2,987,531	47,224,985
2086	47,224,985	-	37,376	-	3,186,425	50,374,034
2087	50,374,034	-	31,120	-	3,399,197	53,742,111
2088	53,742,111	-	25,699	-	3,626,725	57,343,137
2089	57,343,137	-	21,043	-	3,869,952	61,192,046
2090	61,192,046	-	17,076	-	4,129,887	65,304,857
2091	65,304,857	-	13,729	-	4,407,614	69,698,742
2092	69,698,742	-	10,933	-	4,704,296	74,392,105
2093	74,392,105	-	8,617	-	5,021,176	79,404,664
2094	79,404,664	-	6,719	-	5,359,588	84,757,533
2095	84,757,533	-	5,178	-	5,720,959	90,473,314
2096	90,473,314	-	3,940	-	6,106,816	96,576,190
2097	96,576,190	-	2,956	-	6,518,793	103,092,027
2098	103,092,027	-	2,185	-	6,958,638	110,048,480
2099	110,048,480	-	1,588	-	7,428,219	117,475,111
2100	117,475,111	-	1,134	-	7,929,532	125,403,509
2101	125,403,509	-	794	-	8,464,710	133,867,425
2102	133,867,425	-	544	-	9,036,033	142,902,914
2103	142,902,914	-	364	-	9,645,934	152,548,484
2104	152,548,484	-	238	-	10,297,015	162,845,261
2105	162,845,261	-	152	-	10,992,050	173,837,159
2106	173,837,159	-	94	-	11,734,005	185,571,070
2107	185,571,070	-	57	-	12,526,045	198,097,058
2108	198,097,058	-	33	-	13,371,550	211,468,575
2109	211,468,575	-	19	-	14,274,128	225,742,684
2110	225,742,684	-	11	-	15,237,631	240,980,304
2111	240,980,304	-	6	-	16,266,170	257,246,468
2112	257,246,468	-	3	-	17,364,136	274,610,601
2113	274,610,601	-	2	-	18,536,216	293,146,815
2114	293,146,815	-	1	-	19,787,410	312,934,224
2115	312,934,224	-	-	-	21,123,060	334,057,284

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 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
2021	46,107,115	-	3,332,052	-	2,110,952	44,886,015
2022	44,886,015	-	3,268,252	-	2,054,465	43,672,228
2023	43,672,228	-	3,254,757	-	1,997,130	42,414,601
2024	42,414,601	-	3,237,986	-	1,937,791	41,114,406
2025	41,114,406	-	3,330,851	-	1,873,827	39,657,382
2026	39,657,382	-	3,386,791	-	1,803,289	38,073,880
2027	38,073,880	-	3,475,555	-	1,725,965	36,324,290
2028	36,324,290	-	3,470,270	-	1,642,985	34,497,005
2029	34,497,005	-	3,542,707	-	1,554,468	32,508,766
2030	32,508,766	-	3,528,913	-	1,460,355	30,440,208
2031	30,440,208	-	3,524,353	-	1,362,206	28,278,061
2032	28,278,061	-	3,499,508	-	1,260,095	26,038,648
2033	26,038,648	-	3,479,793	-	1,154,191	23,713,046
2034	23,713,046	-	3,433,544	-	1,044,823	21,324,325
2035	21,324,325	-	3,411,509	-	931,882	18,844,698
2036	18,844,698	-	3,392,750	-	814,545	16,266,493
2037	16,266,493	-	3,374,678	-	692,510	13,584,325
2038	13,584,325	-	3,330,187	-	566,163	10,820,301
2039	10,820,301	-	3,272,273	-	436,248	7,984,276
2040	7,984,276	-	3,205,434	-	303,124	5,081,966
2041	5,081,966	-	3,149,779	-	166,586	2,098,773
2042	2,098,773	-	3,075,846	-	-	-

Number of Years Expected Benefit Payments Sustained: 21.68

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, 2023

Valuation Date: 10/1/2021

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	6.75%	4.75%
Minimum Required Contribution (Fixed \$)	\$1,989,661	\$3,383,638
Minimum Required Contribution (% of Payroll)	38.8%	65.8%
Expected Member Contribution	663,550	657,131
Expected State Money	292,026	292,026
Expected Sponsor Contribution (Fixed \$)	\$1,034,085	\$2,434,481
Expected Sponsor Contribution (% of Payroll)	20.4%	47.4%

ASSETS

Actuarial Value ¹	43,407,280	43,407,280
Market Value ¹	46,107,115	46,107,115

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	21,915,186	33,942,451
Disability Benefits	1,871,147	2,722,340
Death Benefits	130,872	175,641
Vested Benefits	859,918	1,401,174
Refund of Contributions	364,918	386,063
Service Retirees	31,630,591	38,603,197
Beneficiaries	898,664	1,066,349
Disability Retirees	1,938,628	2,262,497
Terminated Vested	292,898	374,456
Share Plan Balances ¹	0	0
Excess State Monies Reserve	3,356	3,356
Total:	59,906,178	80,937,524
Present Value of Future Salaries	46,246,620	52,920,069
Present Value of Future Member Contributions	5,780,828	6,615,009
Total Normal Cost	1,074,086	1,684,695
Present Value of Future Normal Costs (Entry Age Normal)	9,745,254	17,758,857
Total Actuarial Accrued Liability (EAN) ¹	50,160,924	63,178,667
Unfunded Actuarial Accrued Liability (UAAL)	6,753,644	19,771,387

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2023

	Valuation Date: 10/1/2021	
	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	6.75%	4.75%
<u>PENSION COST</u>		
Normal Cost ²	1,158,414	1,799,386
Administrative Expenses ²	93,871	92,963
Payment Required To Amortize UAAL ²	737,376	1,491,289
Minimum Required Contribution	\$1,989,661	\$3,383,638

¹ The asset values and liabilities include accumulated Share Plan Balances as of 9/30/2021.

² Contributions developed as of 10/1/2021 displayed above have been adjusted to account for assumed salary increase and interest components.