

CITY OF SEMINOLE
MUNICIPAL FIREFIGHTERS' PENSION TRUST FUND

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2022 VALUATION DATE



July 19, 2023

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, 2022 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, 2022 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, 2022

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	6.75%	4.75%
<u>Total Pension Liability</u>		
Service Cost	1,070,431	1,674,657
Interest	3,289,544	2,951,403
Change in Excess State Money	3,356	3,356
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	481,548	653,779
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(3,471,241)	(3,471,241)
Net Change in Total Pension Liability	1,373,638	1,811,954
Total Pension Liability - Beginning	49,402,531	62,199,124
Total Pension Liability - Ending (a)	<u>\$ 50,776,169</u>	<u>\$ 64,011,078</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	1,572,552	1,572,552
Contributions - State	297,470	297,470
Contributions - Employee	607,638	607,638
Net Investment Income	(5,677,493)	(5,677,493)
Benefit Payments, Including Refunds of Employee Contributions	(3,471,241)	(3,471,241)
Administrative Expenses	(90,906)	(90,906)
Net Change in Plan Fiduciary Net Position	(6,761,980)	(6,761,980)
Plan Fiduciary Net Position - Beginning	45,207,364	45,207,364
Plan Fiduciary Net Position - Ending (b)	<u>\$ 38,445,384</u>	<u>\$ 38,445,384</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 12,330,785</u>	<u>\$ 25,565,694</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
2022	38,445,384	-	3,458,971	-	2,478,323	37,464,736
2023	37,464,736	-	3,246,948	-	2,419,285	36,637,073
2024	36,637,073	-	3,232,531	-	2,363,905	35,768,447
2025	35,768,447	-	3,345,147	-	2,301,471	34,724,771
2026	34,724,771	-	3,411,461	-	2,228,785	33,542,095
2027	33,542,095	-	3,512,016	-	2,145,561	32,175,640
2028	32,175,640	-	3,510,306	-	2,053,383	30,718,717
2029	30,718,717	-	3,595,251	-	1,952,174	29,075,640
2030	29,075,640	-	3,586,220	-	1,841,571	27,330,991
2031	27,330,991	-	3,601,987	-	1,723,275	25,452,279
2032	25,452,279	-	3,577,408	-	1,597,291	23,472,162
2033	23,472,162	-	3,559,823	-	1,464,227	21,376,566
2034	21,376,566	-	3,514,020	-	1,324,320	19,186,866
2035	19,186,866	-	3,501,200	-	1,176,948	16,862,614
2036	16,862,614	-	3,486,232	-	1,020,566	14,396,948
2037	14,396,948	-	3,472,348	-	854,602	11,779,202
2038	11,779,202	-	3,436,215	-	679,124	9,022,111
2039	9,022,111	-	3,385,554	-	494,730	6,131,287
2040	6,131,287	-	3,323,653	-	301,689	3,109,323
2041	3,109,323	-	3,276,628	-	-	-

Number of Years Expected Benefit Payments Sustained: 19.95

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
2022	38,445,384	-	3,458,971	-	1,744,005	36,730,418
2023	36,730,418	-	3,246,948	-	1,667,580	35,151,050
2024	35,151,050	-	3,232,531	-	1,592,902	33,511,421
2025	33,511,421	-	3,345,147	-	1,512,345	31,678,619
2026	31,678,619	-	3,411,461	-	1,423,712	29,690,870
2027	29,690,870	-	3,512,016	-	1,326,906	27,505,760
2028	27,505,760	-	3,510,306	-	1,223,154	25,218,608
2029	25,218,608	-	3,595,251	-	1,112,497	22,735,854
2030	22,735,854	-	3,586,220	-	994,780	20,144,414
2031	20,144,414	-	3,601,987	-	871,312	17,413,739
2032	17,413,739	-	3,577,408	-	742,189	14,578,520
2033	14,578,520	-	3,559,823	-	607,934	11,626,631
2034	11,626,631	-	3,514,020	-	468,807	8,581,418
2035	8,581,418	-	3,501,200	-	324,464	5,404,682
2036	5,404,682	-	3,486,232	-	173,924	2,092,374
2037	2,092,374	-	3,472,348	-	-	-

Number of Years Expected Benefit Payments Sustained: 15.60

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, 2024

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	6.75%	4.75%
Minimum Required Contribution (Fixed \$)	\$2,174,007	\$3,584,463
Minimum Required Contribution (% of Payroll)	41.3%	68.1%
Expected Member Contribution	680,603	674,019
Expected State Money	297,470	297,470
Expected Sponsor Contribution (Fixed \$)	\$1,195,934	\$2,612,974
Expected Sponsor Contribution (% of Payroll)	22.9%	49.7%

ASSETS

Actuarial Value ¹	43,370,149	43,370,149
Market Value ¹	39,118,184	39,118,184

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	22,076,170	34,350,525
Disability Benefits	1,940,774	2,821,020
Death Benefits	134,470	179,876
Vested Benefits	892,196	1,453,984
Refund of Contributions	386,504	409,035
Service Retirees	31,946,707	38,887,041
Beneficiaries	842,810	1,002,665
Disability Retirees	2,386,615	2,791,894
Terminated Vested	266,293	325,650
Share Plan Balances ¹	0	0
Total:	60,875,895	82,225,046
Present Value of Future Salaries	47,688,366	54,532,206
Present Value of Future Member Contributions	5,961,046	6,816,526
Total Normal Cost	1,111,690	1,738,600
Present Value of Future Normal Costs (Entry Age Normal)	10,092,191	18,336,605
Total Actuarial Accrued Liability (EAN) ¹	50,783,704	63,888,441
Unfunded Actuarial Accrued Liability (UAAL)	7,413,555	20,518,292

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2024

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	6.75%	4.75%
<u>PENSION COST</u>		
Normal Cost ²	1,198,970	1,856,961
Administrative Expenses ²	94,099	93,189
Payment Required To Amortize UAAL ²	880,938	1,634,313
Minimum Required Contribution	\$2,174,007	\$3,584,463

¹ The asset values and liabilities include accumulated Share Plan Balances as of 9/30/2022.

² Contributions developed as of 10/1/2022 displayed above have been adjusted to account for assumed salary increase and interest components.

³ Reflects normal cost minimum funding requirements of Chapter 112, Florida Statutes.