

CITY OF VENICE
MUNICIPAL FIREFIGHTERS' PENSION TRUST FUND

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



July 11, 2022

VIA E-MAIL

Shelly Baumann, Plan Administrator
14 Kelly Drive
Arcadia, FL 34266

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

Dear Shelly:

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:	6.50%	4.50%
<u>Total Pension Liability</u>		
Service Cost	830,057	1,284,954
Interest	3,068,569	2,755,303
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(414,457)	(604,967)
Changes of Assumptions	1,159,634	1,758,457
Benefit Payments, Including Refunds of Employee Contributions	(2,837,258)	(2,837,258)
Net Change in Total Pension Liability	1,806,545	2,356,489
Total Pension Liability - Beginning	46,048,847	58,140,064
Total Pension Liability - Ending (a)	<u>\$ 47,855,392</u>	<u>\$ 60,496,553</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	2,400,000	2,400,000
Contributions - State	188,963	188,963
Contributions - Employee	122,301	122,301
Net Investment Income	5,626,260	5,626,260
Benefit Payments, Including Refunds of Employee Contributions	(2,837,258)	(2,837,258)
Administrative Expenses	(60,316)	(60,316)
Net Change in Plan Fiduciary Net Position	5,439,950	5,439,950
Plan Fiduciary Net Position - Beginning	28,285,593	28,285,593
Plan Fiduciary Net Position - Ending (b)	<u>\$ 33,725,543</u>	<u>\$ 33,725,543</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 14,129,849</u>	<u>\$ 26,771,010</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 6.50%

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	33,725,543	-	2,523,795	-	2,110,137	33,311,885
2022	33,311,885	-	2,966,009	-	2,068,877	32,414,753
2023	32,414,753	-	3,080,086	-	2,006,856	31,341,523
2024	31,341,523	-	3,263,204	-	1,931,145	30,009,464
2025	30,009,464	-	3,345,468	-	1,841,887	28,505,883
2026	28,505,883	-	3,477,959	-	1,739,849	26,767,773
2027	26,767,773	-	3,564,198	-	1,624,069	24,827,644
2028	24,827,644	-	3,639,895	-	1,495,500	22,683,249
2029	22,683,249	-	3,694,475	-	1,354,341	20,343,115
2030	20,343,115	-	3,708,448	-	1,201,778	17,836,445
2031	17,836,445	-	3,733,144	-	1,038,042	15,141,343
2032	15,141,343	-	3,699,326	-	863,959	12,305,976
2033	12,305,976	-	3,665,489	-	680,760	9,321,247
2034	9,321,247	-	3,648,406	-	487,308	6,160,149
2035	6,160,149	-	3,618,616	-	282,805	2,824,338
2036	2,824,338	-	3,564,371	-	-	-

*All Share Balances paid in 2021.

Number of Years Expected Benefit Payments Sustained: 15.79

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 6.50% 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 = 4.50%

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	33,725,543	-	2,523,795	-	1,460,864	32,662,612
2022	32,662,612	-	2,966,009	-	1,403,082	31,099,685
2023	31,099,685	-	3,080,086	-	1,330,184	29,349,783
2024	29,349,783	-	3,263,204	-	1,247,318	27,333,897
2025	27,333,897	-	3,345,468	-	1,154,752	25,143,181
2026	25,143,181	-	3,477,959	-	1,053,189	22,718,411
2027	22,718,411	-	3,564,198	-	942,134	20,096,347
2028	20,096,347	-	3,639,895	-	822,438	17,278,890
2029	17,278,890	-	3,694,475	-	694,424	14,278,839
2030	14,278,839	-	3,708,448	-	559,108	11,129,499
2031	11,129,499	-	3,733,144	-	416,832	7,813,187
2032	7,813,187	-	3,699,326	-	268,359	4,382,220
2033	4,382,220	-	3,665,489	-	114,726	831,457
2034	831,457	-	3,648,406	-	-	-

*All Share Balances paid in 2021.

Number of Years Expected Benefit Payments Sustained: 13.23

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 4.50% 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

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Investment Rate of Return:	6.50%	4.50%
Minimum Required Contribution (Fixed \$)	\$2,605,768	\$3,551,600
Minimum Required Contribution (% of Payroll)	151.0%	205.8%
Expected Member Contribution	124,761	123,552
Expected State Money	188,963	188,963
Expected Sponsor Contribution (Fixed \$)	\$2,292,044	\$3,239,085
Expected Sponsor Contribution (% of Payroll)	132.6%	187.4%

ASSETS

Actuarial Value ¹	31,673,566	31,673,566
Market Value ¹	33,725,543	33,725,543

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	15,687,141	21,402,085
Disability Benefits	303,802	415,992
Death Benefits	45,549	62,430
Vested Benefits	278,349	399,507
Refund of Contributions	0	0
Service Retirees	28,475,451	35,011,488
Beneficiaries	1,547,133	1,771,044
Disability Retirees	964,540	1,197,558
Terminated Vested	2,722,565	3,856,820
Share Plan Balances ¹	5,504	5,504
Total:	50,030,034	64,122,428
Present Value of Future Salaries	6,051,682	6,391,502
Present Value of Future Member Contributions	423,618	447,405
Total Normal Cost	542,183	873,357
Present Value of Future Normal Costs (Entry Age Normal)	1,688,613	3,058,485
Total Actuarial Accrued Liability (EAN) ¹	48,341,421	61,063,943
Unfunded Actuarial Accrued Liability (UAAL)	16,667,855	61,063,943

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

	Valuation Date: 10/1/2021	
	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	6.50%	4.50%
<u>PENSION COST</u>		
Normal Cost ²	583,092	930,157
Administrative Expenses ²	65,474	64,839
Payment Required To Amortize UAAL ²	1,957,202	2,556,604
Minimum Required Contribution	\$2,605,768	\$3,551,600

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.