

**CITY OF VENICE
MUNICIPAL FIREFIGHTERS' PENSION TRUST FUND**

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



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS



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March 8, 2024

VIA E-MAIL

Shelly Baumann, Plan Administrator
14
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, 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, 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, 2023

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	6.50%	4.50%
<u>Total Pension Liability</u>		
Service Cost	539,278	845,454
Interest	3,082,471	2,712,483
Share Plan Allocation	74,964	74,964
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	895,598	1,260,237
Changes of Assumptions	-	-
Contributions - Buy Back	14,167	14,167
Benefit Payments, Including Refunds of Employee Contributions	(2,987,738)	(2,987,738)
Net Change in Total Pension Liability	1,618,740	1,919,567
Total Pension Liability - Beginning	48,377,225	60,925,818
Total Pension Liability - Ending (a)	<u>\$ 49,995,965</u>	<u>\$ 62,845,385</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	2,492,308	2,492,308
Contributions - State	445,929	445,929
Contributions - Employee	79,849	79,849
Contributions - Buy Back	14,167	14,167
Net Investment Income	2,778,362	2,778,362
Benefit Payments, Including Refunds of Employee Contributions	(2,987,738)	(2,987,738)
Administrative Expenses	(69,301)	(69,301)
Net Change in Plan Fiduciary Net Position	2,753,576	2,753,576
Plan Fiduciary Net Position - Beginning	28,720,835	28,720,835
Plan Fiduciary Net Position - Ending (b)	<u>\$ 31,474,411</u>	<u>\$ 31,474,411</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 18,521,554</u>	<u>\$ 31,370,974</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
2023	31,474,411	-	3,003,370	-	1,948,227	30,419,268
2024	30,419,268	-	3,342,709	-	1,868,614	28,945,173
2025	28,945,173	-	3,403,401	-	1,770,826	27,312,598
2026	27,312,598	-	3,486,075	-	1,662,021	25,488,544
2027	25,488,544	-	3,585,788	-	1,540,217	23,442,973
2028	23,442,973	-	3,678,006	-	1,404,258	21,169,225
2029	21,169,225	-	3,740,524	-	1,254,433	18,683,134
2030	18,683,134	-	3,758,516	-	1,092,252	16,016,870
2031	16,016,870	-	3,789,054	-	917,952	13,145,768
2032	13,145,768	-	3,780,957	-	731,594	10,096,405
2033	10,096,405	-	3,758,157	-	534,126	6,872,374
2034	6,872,374	-	3,734,783	-	325,324	3,462,915
2035	3,462,915	-	3,720,510	-	-	-

*All Share Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 12.93

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
2023	31,474,411	-	3,003,370	-	1,348,773	29,819,814
2024	29,819,814	-	3,342,709	-	1,266,681	27,743,786
2025	27,743,786	-	3,403,401	-	1,171,894	25,512,279
2026	25,512,279	-	3,486,075	-	1,069,616	23,095,820
2027	23,095,820	-	3,585,788	-	958,632	20,468,664
2028	20,468,664	-	3,678,006	-	838,335	17,628,993
2029	17,628,993	-	3,740,524	-	709,143	14,597,612
2030	14,597,612	-	3,758,516	-	572,326	11,411,422
2031	11,411,422	-	3,789,054	-	428,260	8,050,628
2032	8,050,628	-	3,780,957	-	277,207	4,546,878
2033	4,546,878	-	3,758,157	-	120,051	908,772
2034	908,772	-	3,734,783	-	-	-

*All Share Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 11.24

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, 2025**

Valuation Date: 10/1/2023

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Investment Rate of Return:	6.50%	4.50%
Minimum Required Contribution (Fixed \$)	\$2,485,581	\$3,321,923
Minimum Required Contribution (% of Payroll)	207.5%	277.2%
Expected Member Contribution	86,596	85,757
Expected State Money	370,965	370,965
Expected Sponsor Contribution (Fixed \$)	\$2,028,020	\$2,865,201
Expected Sponsor Contribution (% of Payroll)	168.3%	238.0%

ASSETS

Actuarial Value ¹	33,868,557	33,868,557
Market Value ¹	31,474,411	31,474,411

LIABILITIES**Present Value of Benefits****Actives**

Retirement Benefits	11,242,756	15,074,993
Disability Benefits	184,018	247,310
Death Benefits	27,167	36,660
Vested Benefits	94,216	133,767
Refund of Contributions	0	0
Service Retirees	33,768,359	41,840,719
Beneficiaries	2,015,153	2,330,399
Disability Retirees	929,055	1,139,859
Terminated Vested	2,221,346	3,154,782
Share Plan Balances ¹	78,471	78,471
Total:	50,560,541	64,036,960

Present Value of Future Salaries	3,426,534	3,581,593
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Present Value of Future Member Contributions	239,857	250,712
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Total Normal Cost	344,516	556,642
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Present Value of Future Normal Costs (Entry Age Normal)	871,548	1,489,975
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Total Actuarial Accrued Liability (EAN) ¹	49,688,993	62,546,985
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Unfunded Actuarial Accrued Liability (JAAL)	15,820,436	28,678,428
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**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:	6.50%	4.50%
<u>PENSION COST</u>		
Normal Cost ²	369,728	591,592
Administrative Expenses ²	72,979	72,273
Payment Required To Amortize UAAL ²	<u>2,042,874</u>	<u>2,658,058</u>
Minimum Required Contribution	\$2,485,581	\$3,321,923

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.