

February 19, 2019

VIA EMAIL

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, 2018 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.

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: 

Christine M. O'Neal, FSA, EA, MAAA  
Enrolled Actuary #17-7916

CMO/lke  
Enclosures

cc via email: Scott R. Christiansen, Board Attorney

CITY OF VENICE  
MUNICIPAL FIREFIGHTERS' PENSION TRUST FUND

SECTION 112.664, FLORIDA STATUTES  
COMPLIANCE

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.

By: Christine M. O'Neal Date: 2/19/2019

Christine M. O'Neal, FSA, EA, MAAA  
Enrolled Actuary #17-7916



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, 2018 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, 2018

	ACTUAL	HYPOTHETICAL
	7.00%	5.00%
	RP-2000	RP-2000
	Generational	Generational
<u>Total Pension Liability</u>		
Service Cost	756,801	1,150,920
Interest	2,798,028	2,560,879
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	131,239	134,370
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(2,136,820)	(2,136,820)
Net Change in Total Pension Liability	1,549,248	1,709,349
Total Pension Liability - Beginning	40,292,294	51,143,937
Total Pension Liability - Ending (a)	<u>\$ 41,841,542</u>	<u>\$ 52,853,286</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	2,530,184	2,530,184
Contributions - State	180,163	180,163
Contributions - Employee	120,956	120,956
Net Investment Income	2,011,838	2,011,838
Benefit Payments, Including Refunds of Employee Contributions	(2,136,820)	(2,136,820)
Administrative Expenses	(59,501)	(59,501)
Net Change in Plan Fiduciary Net Position	2,646,820	2,646,820
Plan Fiduciary Net Position - Beginning	22,991,416	22,991,416
Plan Fiduciary Net Position - Ending (b)	<u>\$ 25,638,236</u>	<u>\$ 25,638,236</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 16,203,306</u>	<u>\$ 27,215,050</u>

## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1  
Plan Assumptions: 7.00% and RP-2000 Generational Mortality

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
2018	25,638,236	-	2,273,642	-	1,715,099	25,079,693
2019	25,079,693	-	2,382,458	-	1,672,192	24,369,427
2020	24,369,427	-	2,533,809	-	1,617,177	23,452,795
2021	23,452,795	-	2,753,296	-	1,545,330	22,244,829
2022	22,244,829	-	2,893,638	-	1,455,861	20,807,052
2023	20,807,052	-	2,998,604	-	1,351,543	19,159,991
2024	19,159,991	-	3,163,991	-	1,230,460	17,226,460
2025	17,226,460	-	3,222,808	-	1,093,054	15,096,706
2026	15,096,706	-	3,328,625	-	940,268	12,708,349
2027	12,708,349	-	3,377,447	-	771,374	10,102,276
2028	10,102,276	-	3,426,718	-	587,224	7,262,782
2029	7,262,782	-	3,467,065	-	387,047	4,182,764
2030	4,182,764	-	3,467,586	-	171,428	886,606
2031	886,606	-	3,464,305	-	-	-

Number of Years Expected Benefit Payments Sustained: 13.26

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.00% 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: 5.00% and RP-2000 Generational Mortality

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
2018	25,638,236	-	2,273,642	-	1,225,071	24,589,665
2019	24,589,665	-	2,382,458	-	1,169,922	23,377,129
2020	23,377,129	-	2,533,809	-	1,105,511	21,948,831
2021	21,948,831	-	2,753,296	-	1,028,609	20,224,144
2022	20,224,144	-	2,893,638	-	938,866	18,269,372
2023	18,269,372	-	2,998,604	-	838,504	16,109,272
2024	16,109,272	-	3,163,991	-	726,364	13,671,645
2025	13,671,645	-	3,222,808	-	603,012	11,051,849
2026	11,051,849	-	3,328,625	-	469,377	8,192,601
2027	8,192,601	-	3,377,447	-	325,194	5,140,348
2028	5,140,348	-	3,426,718	-	171,349	1,884,979
2029	1,884,979	-	3,467,065	-	-	-

Number of Years Expected Benefit Payments Sustained: 11.54

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.00% 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, 2020

Valuation Date: 10/1/2018

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.00%	5.00%
	RP-2000	RP-2000
	Generational	Generational
Total Required Contribution (Fixed \$)	\$2,579,532	\$3,503,872
Total Required Contribution (% of Payroll)	133.1%	180.8%
Expected Member Contribution	140,380	139,024
Expected State Money	180,163	180,163
Expected Sponsor Contribution (Fixed \$)	\$2,258,989	\$3,184,685
Expected Sponsor Contribution (% of Payroll)	116.8%	164.5%

**ASSETS**

Actuarial Value	25,122,791	25,122,791
Market Value	25,638,236	25,638,236

**LIABILITIES**

Present Value of Benefits		
Active Members		
Retirement Benefits	14,118,722	19,501,722
Disability Benefits	383,684	523,057
Death Benefits	98,763	134,262
Vested Benefits	1,004,480	1,434,673
Refund of Contributions	0	0
Service Retirees	25,288,237	31,035,904
Beneficiaries	1,139,278	1,310,880
Disability Retirees	931,752	1,153,108
Terminated Vested	1,958,639	2,889,274
Excess State Monies Reserve	8,861	8,861
Total:	<u>44,932,416</u>	<u>57,991,741</u>
Present Value of Future Salaries	8,623,621	9,126,603
Present Value of Future Member Contributions	603,653	638,862
Total Normal Cost	661,457	1,029,302
Present Value of Future Normal Costs (Entry Age Normal)	2,615,661	4,324,221
Total Actuarial Accrued Liability	42,316,755	53,667,520
Unfunded Actuarial Accrued Liability (UAAL)	17,193,964	28,544,729

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2020

Valuation Date: 10/1/2018

	ACTUAL	HYPOTHETICAL
	7.00%	5.00%
	RP-2000	RP-2000
	Generational	Generational
<b><u>PENSION COST</u></b>		
Normal Cost <sup>1</sup>	725,000	1,117,282
Administrative Expenses <sup>1</sup>	65,217	64,587
Payment Required To Amortize UAAL <sup>1</sup>	1,789,315	2,322,003
Total Required Contribution	\$2,579,532	\$3,503,872

<sup>1</sup> Contributions developed as of 10/1/2018 displayed above have been adjusted to account for assumed salary increase and interest components.