

CITY OF VENICE
MUNICIPAL FIREFIGHTERS' PENSION TRUST FUND

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2020 VALUATION DATE



May 27, 2021

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, 2020 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, 2020 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, 2020

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	6.75%	4.75%
	<u> </u>	<u> </u>
<u>Total Pension Liability</u>		
Service Cost	804,177	1,231,268
Interest	2,957,569	2,687,045
Change in Excess State Money	-	-
Share Plan Allocation	-	-
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	28,410	(9,802)
Changes of Assumptions	2,060,398	2,970,436
Benefit Payments, Including Refunds of Employee Contributions	(2,497,024)	(2,497,024)
Net Change in Total Pension Liability	3,353,530	4,381,923
Total Pension Liability - Beginning	42,695,317	53,758,141
Total Pension Liability - Ending (a)	<u>\$ 46,048,847</u>	<u>\$ 58,140,064</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	2,406,800	2,406,800
Contributions - State	180,552	180,552
Contributions - Employee	122,740	122,740
Net Investment Income	1,817,126	1,817,126
Benefit Payments, Including Refunds of Employee Contributions	(2,497,024)	(2,497,024)
Administrative Expenses	(61,444)	(61,444)
Net Change in Plan Fiduciary Net Position	1,968,750	1,968,750
Plan Fiduciary Net Position - Beginning	26,316,843	26,316,843
Plan Fiduciary Net Position - Ending (b)	<u>\$ 28,285,593</u>	<u>\$ 28,285,593</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 17,763,254</u>	<u>\$ 29,854,471</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 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
2020	28,285,553	-	2,398,655	-	1,828,320	27,715,218
2021	27,715,218	-	2,798,833	-	1,776,317	26,692,702
2022	26,692,702	-	2,985,988	-	1,700,980	25,407,694
2023	25,407,694	-	3,095,437	-	1,610,548	23,922,805
2024	23,922,805	-	3,266,983	-	1,504,529	22,160,351
2025	22,160,351	-	3,340,069	-	1,383,096	20,203,378
2026	20,203,378	-	3,458,734	-	1,246,996	17,991,640
2027	17,991,640	-	3,536,893	-	1,095,066	15,549,813
2028	15,549,813	-	3,604,887	-	927,947	12,872,873
2029	12,872,873	-	3,658,796	-	745,435	9,959,512
2030	9,959,512	-	3,676,484	-	548,186	6,831,214
2031	6,831,214	-	3,684,915	-	336,741	3,483,040
2032	3,483,040	-	3,665,558	-	-	-

*All Share Balances paid in 2020.

Number of Years Expected Benefit Payments Sustained: 12.95

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: 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
2020	28,285,553	-	2,398,655	-	1,286,596	27,173,494
2021	27,173,494	-	2,798,833	-	1,224,269	25,598,930
2022	25,598,930	-	2,985,988	-	1,145,032	23,757,974
2023	23,757,974	-	3,095,437	-	1,054,987	21,717,524
2024	21,717,524	-	3,266,983	-	953,992	19,404,533
2025	19,404,533	-	3,340,069	-	842,389	16,906,853
2026	16,906,853	-	3,458,734	-	720,931	14,169,050
2027	14,169,050	-	3,536,893	-	589,029	11,221,186
2028	11,221,186	-	3,604,887	-	447,390	8,063,689
2029	8,063,689	-	3,658,796	-	296,129	4,701,022
2030	4,701,022	-	3,676,484	-	135,982	1,160,520
2031	1,160,520	-	3,684,915	-	-	-

*All Share Balances paid in 2020.

Number of Years Expected Benefit Payments Sustained: 11.31

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, 2022

Valuation Date: 10/1/2020

	ACTUAL	HYPOTHETICAL
	6.75%	4.75%
Minimum Required Contribution (Fixed \$)	\$2,638,202	\$3,613,049
Minimum Required Contribution (% of Payroll)	136.2%	186.3%
Expected Member Contribution	140,255	138,898
Expected State Money	180,552	180,552
Expected Sponsor Contribution (Fixed \$)	\$2,317,395	\$3,293,599
Expected Sponsor Contribution (% of Payroll)	119.4%	169.5%

ASSETS

Actuarial Value ¹	29,197,482	29,197,482
Market Value ¹	28,285,553	28,285,553

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	16,366,847	22,192,514
Disability Benefits	319,967	435,087
Death Benefits	47,331	64,274
Vested Benefits	799,651	1,164,098
Refund of Contributions	0	0
Service Retirees	25,905,235	31,731,883
Beneficiaries	1,626,011	1,863,657
Disability Retirees	950,148	1,178,397
Terminated Vested	2,448,035	3,510,154
Share Plan Balances ¹	4,836	4,836
Total:	48,468,061	62,144,900
Present Value of Future Salaries	6,692,705	7,045,807
Present Value of Future Member Contributions	468,489	493,206
Total Normal Cost	642,382	1,015,929
Present Value of Future Normal Costs (Entry Age Normal)	2,042,075	3,411,794
Total Actuarial Accrued Liability ¹	46,425,986	58,733,106
Unfunded Actuarial Accrued Liability (UAAL)	17,228,504	29,535,624

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2022

Valuation Date: 10/1/2020

	ACTUAL	HYPOTHETICAL
	6.75%	4.75%
<u>PENSION COST</u>		
Normal Cost ²	700,984	1,097,885
Administrative Expenses ²	65,108	64,478
Payment Required To Amortize UAAL ²	1,872,110	2,450,686
Minimum Required Contribution	\$2,638,202	\$3,613,049

¹ The asset values and liabilities include accumulated Share Plan Balances as of 9/30/2020.

² Contributions developed as of 10/1/2020 displayed above have been adjusted to account for assumed salary increase and interest components.