

May 31, 2017

VIA EMAIL

Mr. Chris Hengstenberg, MPA  
City of Seminole  
Municipal Firefighters' Pension Trust Fund  
P. O. Box 47744  
St. Petersburg, FL 33743-7744

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

Dear Chris:

Please find enclosed the annual disclosures that satisfy the October 1, 2017 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:   
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Douglas H. Lozen, EA, MAAA  
Enrolled Actuary #17-7778

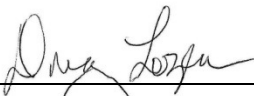
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Enclosures

cc via email: Scott R. Christiansen, Board Attorney

CITY OF SEMINOLE  
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:  Date 5/31/2018  
Douglas H. Lozen, EA, MAAA  
Enrolled Actuary #17-7778



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, 2017 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, 2017

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.75% RP-2000 Generational	5.75% RP-2000 Generational
<u>Total Pension Liability</u>		
Service Cost	729,257	1,125,455
Interest	3,106,162	2,916,684
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	626,941	534,394
Changes of Assumptions	-	-
Contributions - Buy Back	-	-
Benefit Payments, Including Refunds of Employee Contributions	(3,008,090)	(3,008,090)
Net Change in Total Pension Liability	1,454,270	1,568,443
Total Pension Liability - Beginning	40,857,648	51,106,882
Total Pension Liability - Ending (a)	<u>\$ 42,311,918</u>	<u>\$ 52,675,325</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	407,567	407,567
Contributions - State	255,335	255,335
Contributions - Employee	351,502	351,502
Net Investment Income	3,981,916	3,981,916
Benefit Payments, Including Refunds of Employee Contributions	(3,008,090)	(3,008,090)
Administrative Expenses	(58,559)	(58,559)
Net Change in Plan Fiduciary Net Position	1,929,671	1,929,671
Plan Fiduciary Net Position - Beginning	35,836,808	35,836,808
Plan Fiduciary Net Position - Ending (b)	<u>\$ 37,766,479</u>	<u>\$ 37,766,479</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 4,545,439</u>	<u>\$ 14,908,846</u>

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

Table 1  
Plan Assumptions: 7.75% 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
2017	37,766,479	-	3,105,802	-	2,806,552	37,467,229
2018	37,467,229	-	3,110,237	-	2,783,189	37,140,181
2019	37,140,181	-	3,138,229	-	2,756,758	36,758,710
2020	36,758,710	-	3,162,304	-	2,726,261	36,322,667
2021	36,322,667	-	3,212,996	-	2,690,503	35,800,174
2022	35,800,174	-	3,226,755	-	2,649,477	35,222,896
2023	35,222,896	-	3,242,102	-	2,604,143	34,584,937
2024	34,584,937	-	3,231,545	-	2,555,110	33,908,502
2025	33,908,502	-	3,247,550	-	2,502,066	33,163,018
2026	33,163,018	-	3,257,287	-	2,443,914	32,349,645
2027	32,349,645	-	3,276,953	-	2,380,116	31,452,808
2028	31,452,808	-	3,304,606	-	2,309,539	30,457,741
2029	30,457,741	-	3,343,308	-	2,230,922	29,345,355
2030	29,345,355	-	3,317,294	-	2,145,720	28,173,781
2031	28,173,781	-	3,296,166	-	2,055,742	26,933,357
2032	26,933,357	-	3,261,902	-	1,960,936	25,632,391
2033	25,632,391	-	3,230,752	-	1,861,319	24,262,958
2034	24,262,958	-	3,206,825	-	1,756,115	22,812,248
2035	22,812,248	-	3,164,303	-	1,645,332	21,293,277
2036	21,293,277	-	3,114,483	-	1,529,543	19,708,337
2037	19,708,337	-	3,068,759	-	1,408,482	18,048,060
2038	18,048,060	-	3,018,713	-	1,281,750	16,311,097
2039	16,311,097	-	2,954,256	-	1,149,633	14,506,474
2040	14,506,474	-	2,889,890	-	1,012,268	12,628,852
2041	12,628,852	-	2,821,830	-	869,390	10,676,412
2042	10,676,412	-	2,744,306	-	721,080	8,653,186
2043	8,653,186	-	2,663,399	-	567,415	6,557,202
2044	6,557,202	-	2,577,367	-	408,310	4,388,145
2045	4,388,145	-	2,485,462	-	243,770	2,146,453
2046	2,146,453	-	2,390,435	-	-	-

Number of Years Expected Benefit Payments Sustained: 29.90

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.75% 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: 5.75% 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
2017	37,766,479	-	3,105,802	-	2,082,281	36,742,958
2018	36,742,958	-	3,110,237	-	2,023,301	35,656,022
2019	35,656,022	-	3,138,229	-	1,959,997	34,477,790
2020	34,477,790	-	3,162,304	-	1,891,557	33,207,043
2021	33,207,043	-	3,212,996	-	1,817,031	31,811,078
2022	31,811,078	-	3,226,755	-	1,736,368	30,320,691
2023	30,320,691	-	3,242,102	-	1,650,229	28,728,818
2024	28,728,818	-	3,231,545	-	1,559,000	27,056,273
2025	27,056,273	-	3,247,550	-	1,462,369	25,271,092
2026	25,271,092	-	3,257,287	-	1,359,441	23,373,246
2027	23,373,246	-	3,276,953	-	1,249,749	21,346,042
2028	21,346,042	-	3,304,606	-	1,132,390	19,173,826
2029	19,173,826	-	3,343,308	-	1,006,375	16,836,893
2030	16,836,893	-	3,317,294	-	872,749	14,392,348
2031	14,392,348	-	3,296,166	-	732,795	11,828,977
2032	11,828,977	-	3,261,902	-	586,386	9,153,461
2033	9,153,461	-	3,230,752	-	433,440	6,356,149
2034	6,356,149	-	3,206,825	-	273,282	3,422,606
2035	3,422,606	-	3,164,303	-	105,826	364,129
2036	364,129	-	3,114,483	-	-	-

Number of Years Expected Benefit Payments Sustained: 19.12

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.75% 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, 2019

Valuation Date: 10/1/2017

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.75%	5.75%
	RP-2000	RP-2000
	Generational	Generational
Total Required Contribution (Fixed \$)	\$1,463,944	\$2,596,963
Total Required Contribution (% of Payroll)	34.2%	60.7%
Expected Member Contribution	608,767	1,175,424
Expected State Money	246,275	246,275
Expected Sponsor Contribution (Fixed \$)	\$608,902	\$1,175,264
Expected Sponsor Contribution (% of Payroll)	14.2%	27.5%

**ASSETS**

Actuarial Value	37,803,863	37,803,863
Market Value	37,766,479	37,766,479

**LIABILITIES**

Present Value of Benefits		
Active Members		
Retirement Benefits	14,478,320	22,372,788
Disability Benefits	1,390,139	1,954,216
Death Benefits	161,517	217,031
Vested Benefits	1,100,398	1,733,333
Refund of Contributions	186,548	288,098
Service Retirees	29,142,957	35,447,512
Beneficiaries	747,864	860,258
Disability Retirees	2,074,908	2,395,386
Terminated Vested	540,025	668,393
Share Plan Balances	0	0
Excess State Monies Reserve	3,356	3,356
Funding Standard Account (FSA)	427,282	427,282
Total:	<u>50,253,314</u>	<u>66,367,653</u>
Present Value of Future Salaries	40,037,520	45,764,682
Total Normal Cost	764,030	1,189,253
Present Value of Future		
Normal Costs (Entry Age Normal)	7,158,024	12,822,182
Total Actuarial Accrued Liability	43,095,290	53,545,471
Unfunded Actuarial Accrued	5,291,427	15,741,608
Liability (UAAL)		

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2019

Valuation Date: 10/1/2017

	ACTUAL	HYPOTHETICAL
	7.75%	5.75%
	RP-2000	RP-2000
	Generational	Generational
<b><u>PENSION COST</u></b>		
Normal Cost <sup>1</sup>	831,096	1,281,191
Administrative Expenses <sup>1</sup>	63,699	63,086
Payment Required To Amortize UAAL <sup>1</sup>	569,149	1,252,686
Total Required Contribution	\$1,463,944	\$2,596,963

<sup>1</sup> Contributions developed as of 10/1/2017 displayed above have been adjusted to account for assumed salary increase and interest components.